FINANCIAL TIMES

No. 25,574 Saturday October 9 1971 ** 6p

News Summary

GENERAL

Spanish holidays hit by floods

British would-be holidaymakers yesterday were being diverted to other resorts after floods forced the evacuation of hotels in Spain's Benidorm area and caused damage estimated at over £5m.

Thomson holidays yesterday offered nearly 400 clients the choice of a full refund or alternative accommodation in Majorca and Ibiza and said the same would apply to about 1,000 more due to go to Benidorm over the week-end.

Clarksons, which had three hotels hit by the floods, is also diverting nearly 1,000 people to Majorca to-day.

However, weather conditions are improving, and with the resort beginning to return to normal there was hope of flights being resumed to Benidorm some time over the week-end. Page 29

...-day remand for Sewell

...rederick Joseph Sewell, 38, who appeared in court with a black eye and facial cuts, was remanded for three days at Blackpool accused of murdering Blackpool police superintendent Gerald Richardson during a robbery there on August 23.

Terrorists strike as Faulkner speaks

As Ulster Premier Faulkner hit out at "malcontents" within the Unionist Party, and called for loyalty in support of the Government, terrorists blew up a Belfast reservoir less than a day after the start of water rationing. An estimated 3,000 families were without water indefinitely. Meanwhile, the 1,750 troop reinforcements were announced as comprising the 1st Bttn., Coldstream Guards; 1st Bttn., Royal Scots and 45 Commando, Royal Marines. Faulkner's speech, Page 11

Mao 'very well'

Mao Tse-tung, whose health had been the subject of speculation since cancellation of the October National Day parade, looked "very well indeed" when he met Ethiopia Emperor Haile Selassie for nearly two hours in Peking. Page 12

Stone for Hirohito

A stone thrown by an unidentified man smashed the windscreen of Emperor Hirohito's car as it was travelling through The Hague yesterday at the end of a visit to Rotterdam. Neither the Emperor nor Empress Nagako was hurt.

'Defector' riddle

Both the Foreign Office and Home Office said last night they had "no knowledge" of Belgian reports that Anatoly Techeborarev, a member of the Soviet trade mission in Brussels who has been missing since October 3, had left for England to seek political asylum.

Argentine revolt

Troops of Argentina's First Army corps left their base near Buenos Aires last night with orders to put down a revolt by officers and men of two garrisons north of the capital, a Government statement said.

Smith's damper

Progress made in last month's talks with Britain on a possible settlement was "insignificant and of little consequence," Rhodesia Premier Smith told his party's annual congress. Page 12

Briefly . . .

Magistrates Association passed a resolution calling for restoration of the magistrate's right to jail fine defaulters. Unpaid fines in England and Wales currently total £5½m.

Vice-Admiral Wilfred Tomkinson, second in command and senior officer present with the Home Fleet at the time of the Invergordon troubles in 1931, has died, aged 96.

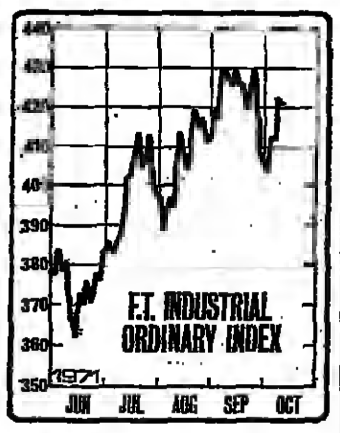
Golf: Jack Nicklaus and Gary Player meet in the Piccadilly championship final at Wentworth to-day. Page 5

Lorry carrying over £47,000 in Christmas gift-wrapped brandy was hijacked in Stepney, London.

BUSINESS

Second line shares active

● EQUITY LEADERS eased yesterday but the undertone kept firm and second-line shares showed rises on trading figures and bid situations. The 30-share



index ended 1.5 down on the day at 420.8 but had a net 13.9 rise on the week. The 500-share and All-Share indices were a shade up on the day.

● GILTS' gains ranged to ⅛.

● GOLD stayed at $42.50.

● TREASURY BILL rate fell £0.0472 pc to £4.6763 pc.

● WALL STREET'S index, with more details of Mr. Nixon's Phase Two awaited, ended 7.89 down at 893.91. Page 20

● THE £ CLOSED ABOVE $2.49 yesterday for the first time since floating. After reaching $2.4924 at one stage, a revaluation of over 3.8 per cent. and only a little short of the $2.4930 peak reached ahead of Wednesday's new controls, it closed at $2.4905. Despite the new controls the £ has remained in demand; the dollar generally has tended to weaken against most leading currencies.

● LABOUR PARTY conference passed last-day resolutions calling for all banks, insurance companies and building societies to be nationalised. Opposing, for the national executive, Mr. Tom Bradley said a distinction had to be drawn between "what we would like to do and what is possible." But he said a future Labour Government would give high priority to greater public control of financial institutions. Page 13

More GEC jobs to go

● THE GENERAL ELECTRIC group has plans which are expected to involve 1,200 more employees losing their jobs in addition to a similar number already under warning of dismissal. English Electric—AEI Turbine Generators, 600 of whose workers will be affected, has suffered from a fall in orders, notably from the CEGB. Back Page

● BIG BRITISH AIRLINES and the British Airports Authority face substantial pay claims lodged for many of the 64,000 employees. For 7,000 non-engineering ground staff, including drivers, porters and baggage handlers, a TGWU claim includes a pay rise, higher shift and service pay, a cut in weekly hours from 40 to 37½. Page 17

● TALKS WITH BSA'S management are sought by local officials of the TGWU and the Sheet Metal Workers' Union to try to modify the effects of the BSA redundancies. Back Page

Spanish bid

● A SPANISH COMPANY, Union de Exportadores de Jerez, proves to be the bidder for Williams and Humbert with an agreed 150p cash offer valuing Williams and Humbert at £6m. Before the news Williams and Humbert shares closed 11p down at 107p. Back Page

● LONDON Merchant Securities final dividend of 5¼ per cent. makes the total 9 (8). Net attributable profit is £1.38m. (£1.32m.). A 1-for-10 scrip issue in Capital shares is proposed. Page 18; Lex

Moscow retaliates

Sir Alec's visit off and trade links hit —5 expulsions

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

ANGLO-SOVIET relations were dealt a severe blow last night when the Soviet authorities announced a wide-ranging series of retaliatory measures to answer the British expulsions of September 24. In addition to expelling four British diplomats and one businessman, and refusing entry or re-entry to 13 other Britons, they declared that the February visit to Moscow of Sir Alec Douglas-Home, the Foreign Secretary, had been cancelled.

They also announced the cancellation of the second session, due to have been held in Moscow next January, of the Inter-Governmental Commission for Technology and Trade, and dropped the visit that was to have been made to Britain next month by the Soviet Foreign Trade Minister, Mr. Nikolai Patolichev, as well as a scheduled trip to Moscow by Mr. Julian Amery, due to have been made shortly.

Unjustified

Sir John Killick, the British Ambassador in Moscow, said after a "calm" 45-minute session at the Soviet Foreign Ministry that he considered the measures "severe" and the British Foreign Office declared in an official statement: "We deplore this arbitrary victimisation of members of the British Embassy and the British business community in Moscow.

"We have repeatedly made it clear that any reprisals would be unjustified."

No names of those expelled were officially released last night, but it was emphasised by the Russians that the expelled Britons—said to have engaged in activities "incompatible with their official status"—had to leave in a fortnight. Of the 13 refused re-entry, nine were described as British Embassy "officials" and, together with one academic, have been told they cannot return to the USSR. Three British businessmen with valid visas have been barred from entering the country.

As well as cancelling the coming meeting of the Inter-Governmental Commission, the Russians have also called off scheduled meetings of the joint committee for bi-lateral—mainly cultural—relations and another to discuss merchant shipping.

Clearly, the British Government will have to study the implications of the Moscow measures for bi-lateral links and East-West relations generally. The British action was taken to counter what the Foreign Office considered a growing threat from Soviet espionage, particularly in the industrial sector. In that sense, it was considered justified.

Sir John Killick made it plain after his meeting with Mr. Vasil Kuznetsov, a senior Deputy Foreign Minister, that he had "emphatically rejected" the Soviet charges against the British personnel concerned. The ordered expulsions will reduce the number of British diplomats in Moscow by little more than a tenth. Less than half of the 80 or so officials at the Embassy have diplomatic status.

According to the Tass News Agency statement, put out in Moscow last night, the Soviet Government had been forced to take the announced measures because "the intensification (in Britain) of the atmosphere of spy mania and hostility to the Soviet Union" was continuing. The British expulsion of September 24, Tass maintained, had led to "a serious aggravation of Soviet-British relations."

British view

It concluded that "it is entirely up to the British side whether Soviet-British relations continue to deteriorate or whether such an undesirable development is halted and normal relations restored."

The British side, which has insisted throughout the last fortnight that it was "fully prepared" to deal with Soviet reprisals if and when they came, will have to decide to what extent it is justified in implementing these preparations. If it decides that 18 expulsions for 105 is not a bad bargain, then it is unlikely to take further retaliatory measures.

Again, however, there will be some consultation with Britain's partners in NATO as to how far any next round should go. Since NATO is tending to reciprocate Moscow conciliatory gestures of East-West detente, it is likely to counsel restraint on the part of the British authorities.

Connally calls on unions for co-operation

BY GUY DE JONQUIERES WASHINGTON, Oct. 8.

MR. JOHN CONNALLY, the Secretary of the Treasury, made it clear to-day that the attitude taken by organised labour will be critical to the success of President Nixon's post-freeze inflation programme. He appealed to union leaders to co-operate voluntarily in putting it into effect.

Mr. Connally called specifically on Mr. George Meany, the influential president of the 13m. member AFL-CIO, to sit on the watchdog committee on wages which Mr. Nixon said last night that he is setting up as a central element of "Phase Two." He said it would be "extremely difficult" to work without union participation."

In a statement issued this afternoon, Mr. Meany said Mr. Connally had left "serious questions" unanswered and that Press interpretations of Mr. Nixon's announcement conflicted with what he had been told earlier by the White House. He has called a meeting of Labour leaders for Tuesday to decide what action to take.

Elsewhere, the new programme has elicited a generally favourable response. A number of business leaders and members of Congress from both parties have pledged themselves to support it when it goes into effect.

Mr. Nixon said that the effectiveness of Phase Two, which will go into effect on November 14, would depend largely on voluntary compliance, but he warned that it would be backed up by Government sanctions if necessary. He is to appoint a Pay Board, composed of representatives of industry, labour and the public, and a Price Commission, consisting of private individuals, to implement the programme.

Mr. Connally said to-day that the wage and price bodies would be free to act on their own initiative in the first instance.

But he added: "The Government will continue to be in the picture. If the Pay Board's actions are not consistent with the President's inflation goal, then quite frankly action will have to be taken."

He said he expected the Board to work within the general lines set down by the Administration, but said: "If the Board were to establish a 6 per cent. overall guideline for inflation, then at that point we lock horns."

One of the main problems that will face the Pay Board as soon as it is appointed will be to decide what action to take on wage increases negotiated before the freeze but not put into effect. Mr. Connally declined to lay down any firm ruling on this point. He said that the Board might decide to award some quite large pay increases, but that it would then be obliged to make compensating reductions in other areas.

Mr. Meany's presence on the Pay Board would clearly be a major advantage for the Administration, since it would be bound to lead to a softening of the criticism which he levelled at Mr Nixon's economic policies since the August 15 announcement. It is understood that he offered to join the Board, but then retracted on the grounds that it was subject to too much direct Government control.

Cabinet reaffirms its June 1970 objectives

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE CABINET, aided by senior officials, spent six hours at Chequers yesterday reviewing the Government's first 15 months in power and assessing future strategy.

The broad result of the meeting was that the objectives laid down after the General Election in June 1970 were reaffirmed and will continue to guide policy-making. The Cabinet adhered to the objective of a more competitive society based on less Government intervention.

Smoothing changes

This is not to say that there will be no detailed changes in policy as the political and economic situation changes. Part of the purpose of the exercise was to ensure that such changes could be made in the context of the overall strategy.

The meeting, which lasted from 10.30 a.m. until 4.15 p.m., was attended by all the Cabinet plus the Chief Secretary to the Treasury, Mr. Maurice Macmillan; the Parliamentary Secretary to the Civil Service Department, Mr. David Howell; the Secretary to the Cabinet, Sir Burke Trend; and Lord Rothschild, head of the Central Policy Review Staff, with some of their officials.

Lord Rothschild and his colleagues apparently played an important part, as much of the discussion was based on their papers setting out the Government's objectives on taking office, the targets so far achieved, and the prospects for attaining other policy objectives.

Ministers discussed the economy in broad terms, concentrating on the problems of unemployment, industrial relations and regional policies.

But it was stressed last night that no policy announcements on the economy or other subjects were likely to flow from the meeting. It was essentially a cool look at long-term strategy. For this reason next week's Conservative Party Conference at Brighton had no real relevance to the discussions.

Social services

There were also general debates on the future of the social services and education, and particular attention was given to the problems of the aged and the disabled.

The meeting was seen by Ministers as a valuable means of enabling departmental heads to see their policies in the context of overall strategy. Further meetings are planned, possibly concentrating on specific items of policy and including Ministers of more junior rank.

Lonrho Board's hope for future

BY SANDY McLACHLAN

THE BOARD OF LONRHO acted yesterday in a move to quieten the speculation which has wiped 30 per cent. off the share price in the last two weeks. The market sensed something was on its way, and the shares rallied 5p to 61p yesterday in front of the statement from the company, which came after market hours.

The statement, signed by the chairman and joint managing director, Mr. A. H. Ball, and the other joint managing director, Mr. R. W. "Tiny" Rowland, affirms that overall trading has once again been most satisfactory, and says that it is expected to publish preliminary results on November 17 for the year to end-September.

Expansion aim

On future prospects the statement comments that in spite of recent adverse publicity the directors are confident that Lonrho will enjoy the benefits of any general expansion of trade, particularly in the developing countries.

Referring to the fraud charge brought against a director in South Africa, the two directors state that until the South African authorities specify the nature of the charge the Board is unable to comment. They say the charge is understood to have followed several months of private investigation by a minority shareholder and subsequent investigations by officials in the commercial branch of the South African police into the affairs of certain local subsidiary companies.

On the resignation of two U.K. directors, Mr. P. B. Hunter and Mr. J. A. Caldecott, it is pointed out that both have made it clear that their resignations were on fundamental policy decisions and were in no way connected with the events in South Africa. Last night Mr. Ball said that the differences of opinion were to do with Lonrho's expansion policy.

The statement confirms satisfactory progress at Western Platinum and the successful acquisition of Wankel GmbH and Rotary Engines GmbH, and outlined developments by Lonrho in the Arab world.

IPC closing Belfast plant

By John Hunt

THE INTERNATIONAL Publishing Corporation's modern Belfast plant which was used for printing the Daily Mirror and Sunday Mirror is to be closed down as a result of the IRA bomb explosion which wrecked it last July.

A spokesman for IPC said yesterday "as it would take 10 months under the most favourable conditions to resume printing in Belfast, IPC Newspapers believe the best course for all concerned is to make an early decision to close the plant."

The company said that no drop in circulation had resulted from the explosion.

½pc LESS FOR SAVERS

Home loans rate to go down by ½pc

BY SANDY McLACHLAN

THE RATE of interest charged by building societies on mortgages will be reduced by ½ per cent. to 8 per cent. for new borrowers from November 1. But existing borrowers will not get the benefit until the beginning of January at the earliest.

At the same time the building societies will pay less to depositors. The rate offered on building society shares will drop from 5 per cent. to 4¾ per cent. tax paid, also from January 1.

For new borrowers the lower mortgage rate will mean a reduction in monthly repayments of 34p per £1,000 borrowed on a 25-year mortgage. However, the real advantage will be reduced by a lower tax relief entitlement.

As a result of the changes in rates the grossed up rate of interest offered by building societies to investors will fall from 8.16 per cent. to 7.76 per cent. for the income-tax payer.

Side effect

For the borrower paying income tax, the effect of the ½ per cent. reduction is to reduce his net interest charge from 5.94 per cent. to 5.59 per cent., assuming his tax relief is charged against earned income. If the tax relief is charged against unearned income the effective rate drops from 5.21 per cent. to 4.90 per cent.

An unexpected side-effect of the new rates is to make the option mortgage scheme—which was constructed originally to benefit those in lower tax brackets—more attractive to the income tax payer than the building society mortgage with tax relief. Previously the option mortgage cost 6 per cent., but the rate has been brought down in line with the ½ per cent. cut in the building society rate to 5½ per cent.

To the majority of people who are already buying their houses on a building society mortgage the lower rates will not mean an actual reduction in monthly repayments. In the past when the building societies have increased their rates most borrowers have opted to increase the term of repayment rather than their monthly premium. For these the repayment term will merely be reduced again. Existing borrowers whose mortgages were contracted at the 8½ per cent. rate will be given the option either to reduce the repayment term or the repayments themselves.

The new rates are those recommended by the Building Societies

Mr. Stanley Morton

Association to its members. They will not be the rates actually charged by all BSA members since some smaller societies traditionally offer more and charge more than the recommended rate.

In future there is likely to be a greater variance between societies, making it more worthwhile for the potential borrower to shop around for money.

While the lending rate has been reduced by ½ per cent. the rate to depositors has been cut by only ¼ per cent. This means

Continued on Back Page
Interest rates compared, Page 11

Effect of mortgage rate changes

(before tax relief on interest payments)

MONTHLY PAYMENTS

25 year loan £	New rate 8 p.c. £	Old rate 8½ p.c. £	monthly saving £
1,000	7.61	8.15	0.34
2,000	15.62	16.30	0.68
3,000	23.43	24.45	1.02
4,000	31.24	32.60	1.36
5,000	39.05	40.75	1.70
6,000	46.86	48.90	2.04
7,000	54.67	57.05	2.38
8,000	62.48	65.20	2.72
9,000	70.29	73.35	3.06
10,000	78.10	81.50	3.40

ON OTHER PAGES

RETIREMENT is dealt with in 4 pages—22-25.

WINTER SUNSHINE and GOLFING HOLIDAYS are the subject of Pages 14 and 15.

FLOATING £

	£= Oct. 8	% change since Aug 13	% change on par value
U.S. $	2.49¹⁄₁₆	+2.9	+3.8
Can. $	2.50¼	+2.3	−3.5
Dutch fl.	8.36½	−0.1	−3.7
†Belg. frs.	116.25	−3.2	−3.1
D.-Mark	8.25½	+0.7	−6.0
It. lire	1,524½	+1.–	+7.6
‡French frs.	13.78	+3.3	+3.4
Jap. yen	822	−4.9	−4.9
Swiss frs.	9.87½	+0.5	+8.7

† Convertible. ‡ Commercial

New York close

—	Oct. 8	Previous
New York (Spot)	$2.4910-2.4915	$2.4893-2.4901
Do. (1 month)	0.44-0.49prem	0.42-0.47prem
Do. (3 months)	1.20-1.25prem	1.18-1.23prem
Do. (12 months)	0.95-1.00prem	0.90-1.00prem

CHIEF PRICE CHANGES

RISES

... Maltsters	113	+ 10
...kburn Assurance	£11	+ 2¼
...yers	167	+ 11
... Debt. Services	205	+ 15
...ish Sugar	355	+ 13
... Bayley Steels	57	+ 12
...erjey	94	+ 6
...(George) (60/)	95	+ 6
Cory (William)	376	+ 16
Fairclough (L.)	272	+ 8
Feb (Great Britain)	66½	+ 10½
Fox's Biscuits	53	+ 8
Granada "A"	408	+ 13
Guthrie Corp.	249	+ 10½
Hattersley Stelrad	220	+ 11
Hunting Gibson	168	+ 11
Johnson Matthey	280	+ 25
Newman Indus.	95	+ 8
Startrite Eng.	60	+ 6
Stigwood (Robert)	106	+ 7
Sunley (B.)	230	+ 13
Tokengate Inv.	227	+ 9
Walker Crosweller	190	+ 20
Ward (T. W.)	385	+ 13
Yorks. Chems.	260	+ 12
B.P.	618	+ 10
Lonrho	61	+ 5
Poseidon	550	+ 25
Whim Creek	134	+ 18
Zam. Ang. Am.	190	+ 4

FALLS

Amey Group	108	− 6
Empire Stores	326	− 11
Lep Group	198	− 14
Rank Org. "A"	720	− 15
Williams & Humbert	107	− 11
Ultramar	200	− 9
Beralt Tin & W.	185	− 15
F.S. Geduld	445	− 12
Selection Trust	610	− 10
Tara Exploration	625	− 40

U.K. DAILY STOCK INDICES

FINANCIAL TIMES

	Oct. 8	Oct. 7	Yr. ago
Govt. Secs.	79.14	79.01	70.66
Fixed Interest	78.87	78.74	73.17
Industrial Ord.	420.8	422.3	373.8
Gold Mines	47.3	47.3	50.0
Ord. Div. Yield	3.68	3.66	4.30
Earnings Yield	5.69	5.67	6.22
P/E Ratio	17.57	17.64	16.08
Dealings Marked	11,902	11,182	9,608

Industrial Ord. (noon) 420.2

For latest Share Index phone (01)-246 8026

F.T.-ACTUARIES

	Oct. 8	Oct. 7	Yr. ago
Industrial Group	172.70	172.77	—
500 Share	186.34	186.16	148.97
Div. yield pc.	3.55	3.56	4.35
P/E Ratio	18.28	18.21	15.20
All Share	184.13	183.88	142.59
Consols yield pc.	8.55	8.59	9.27

ANNUAL STATEMENTS

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Jacksons Bourne End	13

The week in London and New York

Equities rally after CBI survey

WHAT GOES DOWN must come up. That, at any rate, seems to be the motto of this equity market, which has continued its yo-yo pattern this week. After the 20.6 point slump in the FT Industrial Index last week, the first half of the current account has brought a recovery of 13.9 points to 420.8, despite an uncertain start on Monday.

Two events have provided the impetus for this week's upward spurt. Tuesday brought the news that the August level of hire purchase business—seasonally adjusted—was the best for any month since the present series

TOP PERFORMERS IN FOUR WEEKS TO OCTOBER 7

	% rise
Contracting & Construction	7.14
Newspapers & Publishing	4.88
Toys & Games	3.16
Food Retailing	2.05
Discount Houses	2.03

	% fall
All-Share Index	1.71

THE WORST PERFORMERS

Wines & Spirits	4.63
Packaging & Paper	6.59
Tobacco	6.60
Aircraft & Components	7.17
Office Equipment	11.71

of figures began in 1966. That gave a boost to various sectors but particularly, of course, to HP itself where the FT-Actuaries sector index put on 7 per cent. in the three middle days of the week.

An even more widespread improvement in sentiment followed a bullish survey of its members' confidence by the Confederation of British Industry, published in Thursday's papers. The upshot bare was that industry could be at the start of a substantial upturn in output for the home market, that export prospects remained good in spite of doubts about the U.S. market, and that the prices and wages explosion was slowing down.

So far so good, for equities at least. But the fixed interest market has had to cope with another batch of the Government's measures designed to stem the flow of foreign exchange into the country. Earlier restrictions prevented foreigners buying shorter dated gilts and obtaining interest on new bank deposits. Now there is a veto on non-sterling-area buying of all gilts and a wide range of other forms of fixed interest investment.

There was a cautious response to the measures on Thursday morning, but longer dated gilts soon shrugged off the restrictions and closed higher. There was a similar pattern elsewhere in the fixed interest market, where the strength of company debentures and loans has been a notable feature in recent weeks.

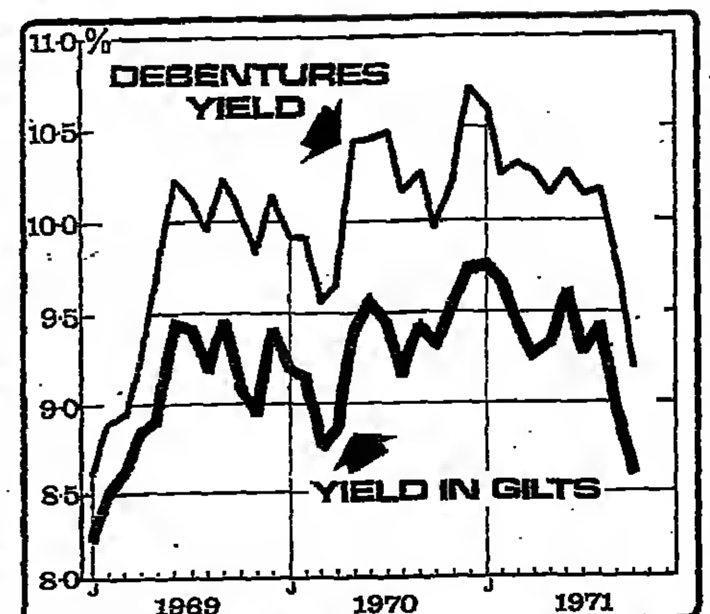
Barrier broken

In fact a landmark has been passed in this sector, with two debenture issues this week breaking the 10 per cent. barrier. Carrying coupons of 9½ and 9¾ per cent., respectively, the Morgan Crucible and John Lewis Properties loans are the first significant issues at under 10 per cent. since Associated Portland Cement and ICFC raised £25m. between them in January, 1969.

This reflects not only the general drop in interest rates, but also an acute shortage of stock in the market, which has had a sizeable effect on the yield differential over gilts. The accompanying chart—prepared with the help of stockbrokers Gilbert Eliott—shows the average yield of those debentures free of stamp at a particular time in comparison with a composite yield of three gilt-edged issues. It can be seen that from a differential of some 40p at the beginning of 1969 the gap widened to touch £1 in August, 1970; but since January, 1971, it has fallen back from 83p to the present 62p.

At a premium

The consequence of this trend is likely to be a resurgence of long-term corporate borrowing—though not until the drop in interest rates slows down. Those finance directors who took a cautious line and decided to tide over their companies on a short-term basis are now vindicated. On the other hand those companies who chose—or were forced—to borrow long-term in the past few months must now be embarrassed at the quotations for their stocks. Guinness, for instance, issued last month £15m. of 10 per cent. Loan stock, now selling at a premium of 7½. July's £40m. 10½ per cent. loan stock from Distillers, now £65 paid, sells at 77¼.



Divergent views on EMI

Everyone agrees that EMI's 1970-71 figures—published this week, taking earnings down from 12.6p to 6.4p per share—mark the nadir; and there is not much dispute about what current year earnings are going to be either. Reviews this week from brokers W. Greenwell and Strauss Turnbull both shoot for between 11p and 12p per share: that may be marginally higher than other estimates, but we won't quibble about 1p or so at this stage.

The argument, then, is simply a question of how EMI should be rated in relation to the market. Its fans maintain that *in roughly six out of the last* ten years EMI has been selling on a useful premium over the market average—the prospective p/e is now just about 14—and they point out that non-U.S. record earnings have historically been very stable. Last year's £865,000 setback here took in the cost of launching Music for Pleasure on the Continent—around £400,000—and losses on tape production. Followers of "Emmies" argue that the improved management and accounting systems at Capitol Industries in the U.S., which was entirely responsible for the scale of last year's setback, mean that group earnings can now be projected on a much more stable, and rising, trend.

Against that, the cynics have their doubts about the stability of earnings from property development, TV and entertainment, which together made up nearly two-thirds of last year's pre-interest total, and they retain their worries about Capitol. The uncommitted observer might do well to watch for a decisive break in the Capitol share price—quoted in our overseas share list—before making up his mind.

Keeping it in the family

The perennial question of non-voting shares came up again this week when the *William Hill Organisation* put forward proposals to enfranchise their "A" shareholders. But unlike many such schemes, including Marks and Spencer's in 1966, this plan in fact increases the voting stake of the founding family—in this case from about 29 per cent. to 36 per cent., as the William Hill family trusts *hold* 83 per cent. of the "A" shares.

All this is part of a move to replace the maturing 5 per cent. Preference shares with a 7¾ per cent. Unsecured Loan stock and to defer repayment of the existing Unsecured Loan. Previously the Board had considered making a rights issue for this purpose. *William Hill's* problem is that having spent £4½m. on acquisitions recently it wants to conserve its liquidity for further expansion rather than repay the loans now. Under the present tax structure there is also the attraction that interest paid on unsecured loans is allowable against corporation tax.

Selling to the Americans

It is an interesting coincidence that over the past week three U.K. groups have announced the sale (pending or *actual*) of parts of their respective enterprises to North American buyers. Two of the companies involved — Thorn Electrical and Bowater Paper—fall within the 50 largest U.K. industrial companies (as measured by sales) with respective market capitalisations of £570m. and £83m.; while the third, Carlton Industries, is no midget with sales of £14½m. and a capitalisation of £22m. But none of the three appear to have any common reasons for their actions.

So what is in fact going on? Well *in the* case of Bowater, the market was given some idea of what was *coming* five weeks ago when the Newfoundland premier announced his wish to purchase an option to acquire the Bowater mill at St. John's. While the deal openly required BPC's willing consent, the premier had let it be known that he would consider nationalisation as a final resort.

In the event Bowater could not have been displeased since it had been intended to close part of that plant later this year (resulting in up to 1,200 redundancies) in an effort to reduce the loss turned in during 1970. So with Bowater playing regional politics as a means of cutting a loss-maker, collecting U.S.$200,000 in option money and—hopefully—a further undecided *sum* by June, 1972, its deal at any rate falls into context.

Cosmetics decline

Carlton Industries' sale of its 71 per cent. stake in Rimmel to International Telephone and Telegraph seems to be straightforward. ITT apparently approached Carlton to buy its share in Rimmel for about £6½m. (about 148p a share) which seemed too good a price to miss.

So while Bowater was heeding political pressure and Carlton taking some long-term planning decisions, Thorn's actions probably derived from requirements much nearer home. The group's sale of three subsidiaries to *Cutler-Hammer* (U.S.) for £7¾m.—£6½m. down and the rest over a period—was interpreted by the market as a way to generate cash. About 10 weeks ago this column discussed Thorn's results and pointed out that with the cutting of advance rental on colour TV sets, the group would spend some £13m. more than it could generate internally between 1970-72. Although the group plays down this problem, the deal goes some way to allay the market's worries over the group's liquidity.

Onlooker

MARKET HIGHLIGHTS OF THE WEEK

	Y'day	Change on Week	1971 High	1971 Low	
F.T. Ind. Ord. Index	420.8	+13.9	430.8	305.3	Markets better on CBI report
Barclays Bank	586	+26	622	327½	General market trend
Brown Bayley Steels	57	−11	68	45	Ahead and after interim report
Cavenham	144	+23	144	66½	Sale of Bovril dairy interests
De Beers Dfd.	198	+21	258	173	Increase in diamond prices
EMI	157	+18	189	124	Preliminary results
Edger Investments	181	+17	216	83½	Revived bid hopes
Geevor Tin	140	−30	340	140	Spiralling costs warning
Grattan Warehouses	275	+27	297½	191	Ahead of Tuesday's interim report
Gt. Unvsl. Stores 'A'	429	+16	443	271	General market trend
Guthrie Corp.	249	+28	249	159½	Favourable Press comment
Mole (M.)	48	+10	50	22½	Ginger group's activities
Mowlem (J.)	144	+30	145	52½	Good first-half figures
Poseidon	550	−100	£22	500	Substantial selling order
Rank Org. 'A'	720	−60	960	667½	Bearish U.S. broker's circular
Rycroft (Bradford)	107	+28	107	33	Bid from Utd. Builders Merchants
Standard Tyre	162	−18	192	110	Breakdown in merger discussions
Tube Investments	448	+20	467	304	General market trend
U.D.T.	220	+19	239	134	August Upsurge in H.P. business
Whim Creek Cons.	134	−34	335	41½	Irish and Canadian selling

MINES IN THE NEWS

Seen through a diamond

BY KENNETH MARSTON

WHILE an air of gloom hangs heavily over the prices of most basic commodities—in sharp contrast with what is happening in the high street—an overall increase of 5 per cent. has been announced in the price of rough diamonds marketed by De Beers' Central Selling Organisation. And only last December De Beers itself was having to carry huge *unsold stocks* with a *book* value of £107m.

The shares were then standing at the equivalent of 222½p and they have since fallen to sadly below the 200p level despite an improvement in both the past half-year's profits of De Beers and in the CSO sales figures for the same period. Has the diamond market picture now changed dramatically for the better and is the bell ringing for those with an eye to share recovery prospects?

The reasons why

Well, about two-fifths of the dollar diamond price increase merely makes up for the loss in value of the U.S. currency against that of sterling. The rest can be looked upon as a combination of the CSO making the most of the usual pre-Christmas demand for certain, not all, qualities of gem diamonds plus gingerly expressing its confidence that the present gradual recovery in the diamond market will continue and possibly strengthen next year.

It is the last point which counts because this modest price increase is not going to boost De Beers profits this year and it does not mean that the big stocks are now *meeting* a brisk demand. Even so, it should not be forgotten that back in May Mr. Harry Oppenheimer expressed "*cautious optimism*" about the diamond market and in June regarded confidence in it as being "fully restored."

To nobody's surprise, the CSO half-year sales figures fully bore out the views of Mr. Oppenheimer who has since predicted a further improvement in his group's profits in the current half of this year. De Beers has turned the corner and I feel that the share price is beginning to follow suit. This may only be a gradual recovery in the near future, but at least things seem to be moving in the right direction.

It is an intriguing thought that because the U.S. buys some 60 per cent. of world gem diamond production, the shrewd CSO with its latest price increase is backing a recovery in the country's economy next year. The move can hardly be expected to have the impact on sentiment of an increase in the producer price of nickel, for instance, but the CSO does not take such decisions lightly and the usual U.S. economic indicators should be watched even more closely from now on.

Nickel futures

Meanwhile, nickel is still much in over-supply and shares of both the existing mines and those being prepared for the future are allowed to languish. Logically, the time to buy a commodity share is when its price is depressed in line with that of *the commodity*, providing one has faith in the recovery prospects of the commodity.

This is especially true in the case of a mine which is working towards a production start in the future; after all the company cannot lose money on the low market price of a metal which it has not begun to produce. But human nature being what it is, buyers tend to come in on the crest of the wave and to depart in the trough.

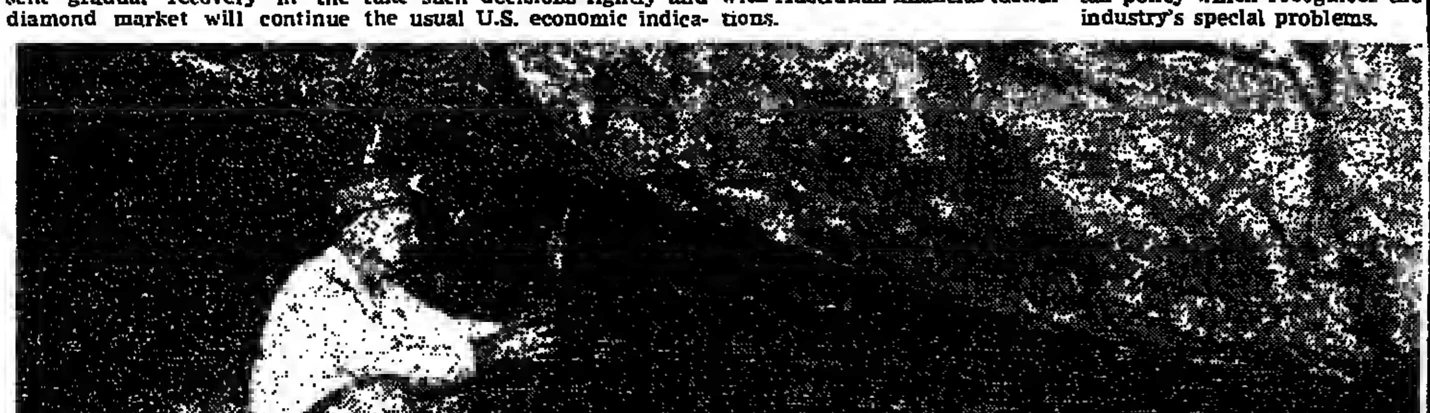
Thus nobody has been very excited at this week's report from Metals Exploration that nearly all the finance has been raised for the $200m. (£93m.) Greenvale nickel project in Queensland which is due to come to production in 1974. Nor did the share price of 136p at the time respond to the accompanying news that Metals Exploration shares have been placed at a price of $5, or 233p, with Australian financial institutions.

The dampening factor was the accompanying disclosure that a rights issue is planned to raise $8.4m. (£3.9m.). Understandably, rights issues are not very *popular* in the present state of mining markets but it is encouraging to note that the company reckons that this is all that it will have to provide for the big project.

Ireland's success

From Ireland we have had another splendid progress report from the Navan high grade zinc-lead prospect of Tara Exploration. It shows that the orebody is trending in a South-Western direction where the highest results of all are now being obtained: as much as 42.1 per cent. combined zinc and lead has been obtained in a 66 feet section of one of these holes.

In fact, out of a total 200 boreholes put down, the last eight alone have probably proved as much ore as there is currently at the successful Tynagh mine in Galway of Northgate Exploration. Navan bodes to become one of the world's great mines and it is particularly pleasing to report such successes when they occur in a country which has gone out of its way to encourage the mining men with an enlightened tax policy which recognises the industry's special problems.



Water flowing through a stope below 4 level at West Driefontein. In October, 1968, the big South African gold mine was engulfed by an inrush of water at a rate of over 80m. gallons per day. The mine was saved after a 23-day battle and since then the biggest dewatering problem in mining history had been overcome. It is now hoped that the previously flooded No. 4 shaft will be back in operation by the end of next March. Meanwhile, boosted operations at other parts of the mine achieved a production record in the year to June 30.

New York

Impetus lost

BY NICHOLAS COLCHESTER

THE WEEK'S trading in Wall Street gained in volume and in general bullishness as the moment on Thursday evening approached when President Nixon told the nation of his plans for the second phase of his new policy of direct government intervention in the economy.

But on Friday investors felt the President had left too many questions unanswered, and a down-turn followed.

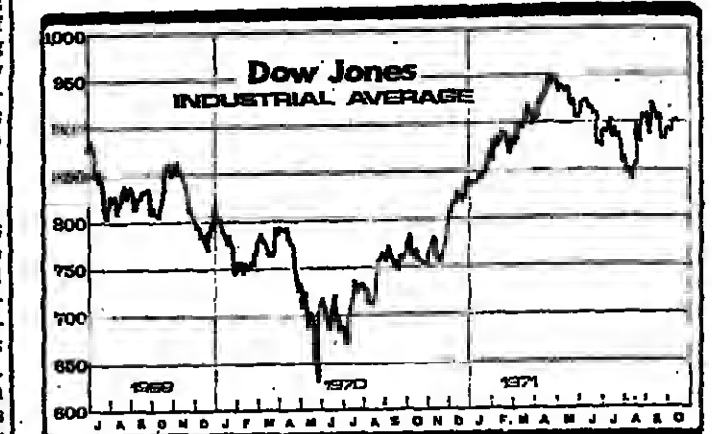
Over the first four trading days the index rose from 893.98 to 901.8 with most of the gain taking place on Wednesday, but on Friday the index was down around 893 again. Some 15.6m. share changed hands on Wednesday and 17.8m. on Thursday—a turnover that brought back memories of the brisk days of early 1971.

To start with, the market was drifting with same aimlessness that has characterised it for the past month. Then on Wednesday, at lunchtime, it was told that President Nixon had decided to let the U.S. know his plans for "phase two" the following evening. This generated a lot of interest and it was interesting to see that the thrill of an *impending revelation* sent the market briskly up. It seemed to bear out the theory that everyone in the market thinks that Nixon's "get tough" stance has struck a chord with everyone else.

In the event Nixon was no tougher or more flexible than most people had predicted. In a speech heavily larded with patriotic sentiment he described a new price commission that would decide on yardsticks to keep price rises reasonable and prevent "windfall" profits, a pay-board incorporating labour, management, and public, to do the same for pay, and be put both of these at the heels of the old cost of living council which would back up their feelings with sanction power. Nixon *also announced* that a government committee headed by Arthur Burns would keep a watchful eye over dividends and interest rates and advise the President to intervene if necessary.

In the market, the week's trading began with a rally that seemed to be a continuation of the upward trend that had developed in the closing stages of the previous week. Things were going well by Monday lunchtime but then the market sank back to trim a gain in the index from over 6 points to one of 1.68. The next day, on rather smaller volume, the downtrend continued and the Dow lost 4.52 points that day and was losing more on Wednesday morning when the announcement of the Nixon speech set the pattern for the rest of the week. On Wednesday the index added 9.41 and on Thursday 1.25 points after a brisk morning rise had run into profit-taking in the afternoon, and on Friday the index fell 7.89.

The stock of the week was old friend Polaroid which fell over the first four days from 102⅝ to 96¼. Investors were once again faced with the problem of a stock on a high multiple which has cut into its current earnings as it spends to develop products for the future. The products in Polaroid's case are a new small instant picture camera and a new instant film. When these products hit the U.S. market there is every prospect of battle royal between Polaroid and the industry leader, Kodak.



In the background there was news that construction spending was up again for the thirteenth consecutive month. There was a report that consumer credit had grown more sharply during August than at any time since May, 1969. This was a good omen for those who *still feel* that the consumer's spirit is lagging. *On Thursday* evening there came the heartening news that wholesale prices had actually fallen in September. The Government was cautious in attributing this solely to the Nixon freeze, but it was thought that it was some sort of suggestion of success.

TV/Radio

* Indicates programme in black and white.

BBC 1

*9.35 a.m. Square Two. *10.00 Wie Bitte? 10.30 Zarabanda. 10.55 Monkeys Without Tails by Dr. John Napier. 11.55 Week-end Weather.
12.00-5.10 p.m. Grandstand: 12.05, 1.30, 3.45 International Golf—Final of the Piccadilly World Match Play Championship; 12.50 Football Preview; 1.10, 2.05 International Boxing: Mark Rowe v Tom Bethea. 1.50, 2.20, 2.50, 3.25 Racing from Ascot; 2.35, 3.10 Horse of the Year Show from Wembley; 4.50 Results Service.
5.10 The Partridge Family.
5.35 News.
5.45 Bruce Forsyth and the Generation Game.
6.30 "She," starring Ursula Andress, Peter Cushing and Bernard Cribbins.
8.10 Harry Secombe Show.
8.55 Frankie Howerd in Up Pompeii!
9.25 News.
9.35 Horse of the Year Show—*the Ronson Trophy.*
10.25 Match of the Day.
11.25 Presenting Lena Martell.

All Regions as BBC 1 except at the following times:—

Wales—5.45-6.05 p.m. Ask the Family. *6.05-6.30 Disc a Dawn. 10.25-11.25 Match of the Day, including highlights of a Welsh fixture.

Scotland—*5.00-5.10 p.m. Sportsreel. 9.35-10.15 Sunset Song. *10.15-10.30 Sportsreel. 10.30-11.00 Presenting Lena Martell. 11.00-11.50 Horse of the Year Show. *11.50 Scottish News Headlines.

Northern Ireland—*5.05-5.10 p.m. Sports Results and News Summary from Northern Ireland. 11.25 Sports Final followed by Northern Ireland News Headlines.

BBC 2

3.00 p.m. Saturday Cinema: "The Story Of Seabiscuit," starring Shirley Temple and Barry Fitzgerald.
7.45 News, sport and weather.
8.05 *Trials of Life.*
8.35 The Search for the Nile, *part 3.*
9.35 Wide World of Entertainment: *part 1,* Moscow State Circus.
10.25 Eyeless in Gaza: part 4.
11.05 News on 2.
11.10 Film Night.
*11.40 Midnight Movie: "Cry Wolf," starring Errol Flynn and Barbara Stanwyck.

LONDON

10.55 a.m. RAC Road *Report.* 11.00 Sesame Street. 11.55 Out of Town. 12.15 p.m. Stingray. 12.45 News from ITN.
12.50 World of Sport: 12.55 On the Ball. 1.20 They're Off! 1.30, 2.00, 2.30 and 3.00 Racing from Ayr; 1.45, 2.15 and 2.45 Racing from York; 3.10 International Sports Special including Cycling and European Saloon Cars Championship; 3.50 Results, scores, news; 3.54 Wrestling; 4.45 Results Service.
5.00 UFO.
5.55 News from ITN.
6.00 The Comedians.
6.30 Please Sir!
7.00 "Rio Bravo," *starring* John Wayne, Dean Martin, Ricky Nelson and Angie Dickinson.
9.30 Hawaii Five-O.
10.30 News from ITN.
10.40 Aquarius: "The Life And Times Of David Niven, Esq." and "Persian Notebook—Part 1: The Royal Jamboree," introduced by Humphrey Burton.
11.45 All Our Yesterdays.
12.15 a.m. The Magazine Editors.

All ITV Regions as London except at the following times:—

ANGLIA

12.15 a.m. All Our Yesterdays. 5.00 The Rovers. 5.30 The Flintstones. 6.00 Please Sir! 6.30 *Sale of the Century.* 7.00 "Invasion Quartet" starring Bill Travers and Spike Milligan. 8.30 Hawaii Five-O. 9.25 The Marty Feldman Comedy Machine. *11.40 The Legend of Jesse James.

ATV MIDLANDS

12.10 p.m. To-morrow's Horoscope. 12.15 Joe 90. 5.00 It Takes a Thief. 6.30 First [illegible]

BORDER

[illegible]

CHANNEL

[illegible]

GRAMPIAN

[illegible]

GRANADA

[illegible]

HTV

[illegible]

SCOTTISH

[illegible]

SOUTHERN

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

WESTWARD

11.00 a.m. Phoenix Five—To End is Begin. 11.40 The Gus Honeybun Show. 11.50 Pippi Longstocking. 12.15 p.m. Drive in. 5.00 UFO. 6.00 Comedy Hour—The New Dick Van Dyke Show. 7.00 The Saturday Film: "The Devil at Four O'clock" starring Spencer Tracy and Frank Sinatra. 9.25 *The Marty Feldman Comedy Machine.* 11.45 The Comedians. *12.10 a.m. Faith for Life.

YORKSHIRE

11.30 a.m. All Our Yesterdays. 12 Grasshopper Island. 12.15 p.m. H.R. Pufnstuf. 5.00 Gunsmoke. 6.00 Please Sir! 6.30 Action 80: "Caxambu!" starring John Ireland. 8.00 The Comedians. [illegible] Thriller. 9.30 The Marty Feldman Comedy Machine. 11.00 *Department "S".*

RADIO 1 247m

Time checks, up-to-the-minute traffic reports, and News summaries at 5.30 a.m., 6.00, 6.30, 7.00, 7.30, 8.00, 8.30, 9.30, 10.30, 11.30, 12.30 p.m., 1.30, 3.30, 4.30, 5.30, 7.30, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, [illegible]

Sports Forum: 3.45 Association Football: scores and reports, with commentary on the second half of a match, results. 5.00 Sports Report. 6.03 Listen to the Band. 6.30 Country Meets Folk. 7.32 Those Were The Days. 8.30 Star Sound. 9.15 National and World Champion Brass Band Festival [illegible]

RADIO 2 1,500m; VHF

[illegible]

RADIO 3 194m, 464m; VHF

[illegible]

RADIO 4 330m; VHF

6.25 a.m. News Summary. 6.27 Farming Today. [illegible]

TV Top 20

Week ending October 3

			Home viewers (m.)
1	For the Love of Ada	Thms.	7.
2	The Persuaders	ATV	7.
3	The Fenn Street Gang	L/Wk	7.
4	The Frankie Howerd Show	Thms.	6.
	Public Eye	Thms.	6.
6	Coronation Street (Wednesday)	Gran.	6
7	Coronation Street (Monday)	Gran.	6
	Kate	Yorks.	[illegible]
9	News at Ten (Friday)	ITN	[illegible]
10	News at Ten (Wednesday)	ITN	[illegible]
11	Father Dear Father	Thms.	[illegible]
12	This Week	Thms.	[illegible]
13	On the Buses	L/Wk.	[illegible]
14	The Sky's the Limit	Yorks.	[illegible]
	Up Pompeii	BBC	[illegible]
16	The Rivals of Sherlock Holmes	Thms.	[illegible]
17	World in Action	Gran.	[illegible]
18	The Comedians	Gran.	[illegible]
19	Keep it in the Family	Yorks.	[illegible]
	News at Ten (Thursday)	ITN	[illegible]

Prepared by Audits of Great Britain for Joint Industry Committee for Advertising Research.

Your savings and investments **Unit trusts**

Rolling out the carpet profits bonanza

BY WILFRID PICKARD

THE OUTLOOK for the carpet industry continues to improve. The Northern Floor Coverings Fair in Harrogate produced an upsurge of buying activity, and many of the leading manufacturers have in hand more orders than they have seen for at least four years.

A complementary factor has been the trading up in quality and prices which is being achieved throughout both the woven and tufted ranges. This is partly a reaction to the down-grading which occurred during the price war that developed during the Cyril Lord era, and a counter inflationary move during a period of recovering demand. The impact on profits has been really dramatic. Carpets International pushed up turnover by little more than one tenth, but earnings at the pre-tax level have more than doubled.

Tufteds have been capturing the greatest proportion of the expanding market. A leader in this sector is Lancaster Carpets and Engineering which in 1970 raced to a 195 per cent. improvement in profitability, and accounted for 11 per cent. of the total tufted market. And in the 6 months to June of this year earnings were up by 90 per cent. from turnover that advanced by 22 per cent.

A new 5-acre site is to be developed, at Denton, Manchester. As a temporary measure an airhouse will be used for warehousing to free the main factory for new machinery. On a six to twelve-month investment view the shares have potential, at 299p with a price earnings multiple of 11.8.

Another large specialist in tufted carpets is A. W. (Securities). It has kept profits and dividends on a rising trend since a loss of £464,000 was suffered in 1966-67. The efficient management has set its sights on major growth in the current year.

There will be a *full contribution* from the carpet printing unit, and elimination of the non-recurring losses. The Voltex plant, which produces liners, should move into profitability. Armoride, a subsidiary making plastic fabrics, is benefiting from the buoyancy of the furniture trade.

More new machinery is being introduced and the rise in profitability could well match last year's 55 per cent. The 20 p/e is discounting only part of the improvement with the shares at 59p.

Still a speculative situation, **Bond Worth Holdings** has considerable recovery potential. Difficulties in rationalising its acquisitions and in commissioning new plant took the group into the red last year. Its high gearing produced a strain on liquidity. If all goes well the shares, at 38½p yielding 2.6 per cent., should move much higher. But it is not a holding for the nervous.

IN BRIEF

MAKERS OF diesel engines L. Gardner and Sons has a steady record with earnings a share rising from 10.5p in 1966 to 18.7p last year. In view of the chairman's earlier caution and the problems in the commercial vehicle industry the 24 per cent. rise in pre-tax profits at half time was good. At 183p the shares yield 5.6 per cent. and sell on a p/e of 10. The greatest attraction lies in the possibility of a takeover approach for this leading independent. Freehold properties in the balance sheet at 1948 values or cost, are now worth a great deal more.

Another asset situation Aeronautical and General Instruments ran into losses of £58,000 in the first half of 1970-71. It may take some time to return to previous profitability, but at 40p the shares stand at a discount of 45 per cent. on asset values. Properties alone cover the current share price, and this is a situation which could interest one of the assets strippers.

WHAT THE BROKERS SAY

ONE of the most popular stocks recommended this week is BOVIS. It is the subject of two major brokers' studies. Capel-Cure Carden considers the group to be "one of the most attractive growth situations in the construction sector." A minimum annual rise in earnings of 15 per cent. is anticipated. Against the profits forecast of £3.9m. this broker is looking for £4.4m. in 1971 followed by £5.6m.

Myers and Co. is not quite so ambitious; £4.1m. is expected this year with £4.9m. in 1972 and then £5.75m. The quality of earnings is high. Following the rights issue the damper on the share price through fears of illiquidity should disappear.

Banking

FIRST NATIONAL FINANCE CORPORATION will not be able to maintain its 35 per cent. annual growth rate, but Joseph Sebag thinks it is to be an outstanding stock capable of raising earnings by 15 per cent. a year.

The merchant and investment banking side takes in joint venture companies in residential building and more recently in the industrial and commercial sectors. The acquisition of Westminster Assurance, second largest operator in property bonds, also Spey Finance and its subsidiaries will broaden the base of operations.

Paints

On estimated 1971 earnings of 6p a share, BLUNDELL-PERMOGLAZE rates a prospective p/e of around 8. Moy Davies Smith Vandervell expects the scale of its operations and profits to expand. Australian losses have been eliminated. At home conditions are improving for its paints and decorating products.

Rogers and Millbourn anticipates steady appreciation for the shares of international traders, TOZER KEMSLEY AND MILLBOURN (HOLDINGS). A selling recommendation for H. P. BULMER has been issued by Tustain and L'Estrange.

Glass and metal

IN 1969 PRE-TAX profits of Glass and Metal fell by 10 per cent. resulting from the dislocation caused by the factory move which concentrated the glass and showcase production side in the Stratford factory. But since that time earnings have been on the uptrend, moving from 4.8p a share to 7p last year, and an annualised rate of 8.2p for the first six months of the current period.

Following the expansion of capacity in the glass division the trading climate has become more buoyant, and profits from this source should move ahead over the next 12 months. Demand from the furniture trade has been rising vigorously following the lifting of hire purchase restrictions. New machinery for silver plating and for dealing with irregular shapes is being introduced which will materially improve efficiency.

The new Siletsy glass showcase presentation system has potential for commercial and domestic display. And there are promising developments at Splintex where capacity is to be increased, and a new range of products, including laminated glass, is in course of preparation.

Using the experience gained from centralising the glass activities, Glass and Metal Holdings is now doing a similar operation for its engineering interests. Bringing together the original subsidiaries in the General Constructional and Engineering group with the recently acquired Jefferies Bros. (Engineers) will have important advantages. Efficiency should be improved and there will be savings on metal purchases. Work can be undertaken for a wider range of industries. And with the greater concentration of management ability the whole range of products can be expanded. There is scope for a big upsurge in profits from this source.

With prospects of an impressive growth phase over the next two years, G and MH looks undervalued at 97p. The yield is 3.1 per cent. and historic p/a 13.1.

PLANTATION SHARES

Guthrie bounces ahead

By JAY PALMER

IN JANUARY when this column last looked at Guthrie in depth, the shares were standing at nearly 170p. Although the group had then just revealed its all-important interim figures for 1970 (which included just enough information to project annual commodity profits) the outlook for 1971 was far from clear. Certainly all the signs pointed to a continuing recovery on the U.K. side, but the extent of this and the vagaries of commodity prices left a blank to be filled in later.

In any event, this did not deter the market's enthusiasm and the shares have climbed steadily higher throughout this year. Touching 180p in May, 188p on the release of the annual accounts in June, 200p in early August, they are currently standing at a new 1971 high of 238½p. At this level the shares are selling at nearly 11½ times 1970 earnings and yielding 6.7 per cent.

Although over the same period that Guthrie's shares soared ahead, the London rubber price continued its 2½ year slide to its current 20 year low of 14p a kilo, the market was quite right in discounting this. While the trend is obviously not a reassuring one, the group is probably one of the least vulnerable rubber producers. Even discounting its extensive diversification, there are two factors on its side.

First, Guthrie largely concentrates on producing a high quality grade of rubber and latex. Owing to certain minority market characteristics, the prices of the higher quality grades have remained a good deal stronger than in the main markets. In addition, Guthrie—unlike most of the rubber producers—does usually manage to secure above average selling prices for its crop by selling forward or (as it likes to put it) "using the market to the full."

Even so there seems little reason to doubt that Guthrie's rubber profits will be down in 1971. The big question is to what extent profits will fall, given that the group is almost certainly operating above its break-even point and that higher production will take up some of the strain. Although it is still too early to pass a mathematical judgement on Ethrel (the recently discovered yield stimulant for use on rubber trees), Guthrie is using it almost universally on its older trees and this should help to raise output.

The trouble is that with Guthrie not breaking down its Malaysian profits between rubber, palm oil, palm kernels and tea, there is little further that one can go with individual crop profit projections.

Sir Eric Griffith-Jones, chairman of Guthrie.

On the palm oil side the picture is much brighter with the price historically high. Against 1970's average net selling price of £91 a ton, the market price in 1971 has fluctuated between £94 and £119. So with Guthrie likely to exceed in its annual report estimate of the 1971 palm oil crop (itself a 10 per cent. increase) by 20 to 25 per cent., production this year from the group's own estates should rise to over 50,000 long tons against 38,000 tons in 1970. This is very nearly double the 1966 level and the produce of the group's 40,000 or so mature palm oil acres. This is still only about 30 per cent. of the group's total acreage, but it is expected that the palm oil figure will rise to 50 per cent. before 1980.

So with a substantial increase in both palm oil volume and value on the cards, the shortfall in rubber profits will be more than cancelled out. Against total Malaysian profits of £4.9m. (pre-tax and pre-interest) in 1970 and £4.7m. in 1969, this year should see this side of the group turning in at least £5.3m.

Looking forward

Looking further ahead, the picture improves still more. As far as the rubber price is concerned, there is little doubt that it will recover—to some extent at least—sooner or later. With Chinese buying picking up again, even the depressing liquidation of the U.S. stockpile can only momentarily hold the price down. Palm oil, on the other hand, accounts for only about 2½ per cent. of the world edible oil supply, and with indicated shortfalls in other oils for 1972, the outlook for the price must be bullish.

The only long-term threat is from the impending 1974-75 boom in smallholders' oil production (which will lift Malaysian palm oil exports from the current 500,000 tons a year to 1½m. tons by 1976). This follows the acceleration in maturing some of the new palm oil strains from the more normal three to four years to 2½ years.

On the U.K. side, Guthrie has two clear operations—British Carpets and Rubber Manufacturing and Textiles. The latter comprises the two Lintafoam subsidiaries (producing bra foaming and tufted carpet backings), Armes (woven plastic floor coverings and the two remaining textile companies Ratcliffe and Victoria (blankets, towelling and curtain material). British Carpets consists of six main companies producing Wilton, Axminster and tufted carpets in the U.K., Australia and Canada.

Historical comparisons (and profit trends) are virtually impossible given that not only were some of the interests only acquired in mid-1969 but since then Guthrie has revamped and reorganised the whole operation. Nevertheless, in 1970 the three textile companies (one, Fenton and Bradley, was later closed) turned in a loss of about £200,000. With the carpet side—as it now is—breaking even that year, all of the 1970 U.K. profit of £479,000 came from Lintafoam, Armes and Guthrie's other small interests (primarily engineering and plumbing).

While the two textile companies should break even in 1971, both Lintafoam and the minor interests are expected to show lower profits. The textile side has been completely re-equipped, reducing over 200 looms to 20 pieces of modern machinery. Although the blanket and towelling markets are virtually static, Guthrie is managing to increase its market share and exports respectively. The curtain material side is picking up well. Unfortunately for Lintafoam, the carpet backing sales appear to be static in a time of rising costs. So taking RM & T (plus the other interests) as a whole, net profits before tax will drop by about £70,000 in 1971 to about £410,000.

General upsurge

British Carpets, on the other hand, appears to be benefiting from the general upsurge in the carpet industry. Against the 1970 break-even, this side is expected to contribute over £500,000 in 1971. In addition the division has the potential to lift profits to over £2m. within the next three years. On this basis, it looks as if the whole U.K. operation will contribute something like £900,000 to group pre-tax profits in 1971. Adding on the Malaysian profits of £5.3m. indicates £6.2m. for the whole group.

Assuming an unchanged share of associated companies' profits, investment income contribution and loan interest charge, this indicates minimum pre-tax profits of £6.3m. against £5.5m. last year. Leaving after a normal tax charge earnings of over 22p a share against 20½p last year, and at the current price of 238½p dropping the p/e to a prospective 10½. Considering the group's historical stability and the long-term U.K. growth prospects, Guthrie may be still a good share to buy.

Change of character at City of Westminster

BY KEITH LEWIS

WHILE EVERYONE has been bewailing the misfortunes of the unit trust industry, the property bond operators have been having a field-day—witness the volume of advertisements each week-end.

One group that has amazingly remained aloof from all this clamour for about a year has been City of Westminster Assurance which started life as a mutual society in 1963 but which did not become a full-blown company until 1968. It has seemed odd for some time that the pioneer of property bonds, with six separate funds worth £20m.-plus and more of a record to boast than anyone else, has remained on the sidelines while such groups as Abbey Life and Hambro Life have been raking in the cash in a big way.

Campaign

The recent change of ownership could alter all that. The thrusting First National Finance Corporation, under the managing directorship of Mr. Pat Matthews, acquired the company last May, and after a period of "assessing the company's strengths and weaknesses" a promotional campaign has been mounted which is expected to run until November.

Great efforts have also been made to penetrate the broker market and already there are 800 on the books. The company is not a member of the Life Offices' Association and therefore has been able to achieve much of this by paying "over the odds" on commission rates. FNFC also has plans to put a City of Westminster representative in each of its 20 offices dotted throughout the country, and another gambit will be direct mail shots to existing policyholders.

The idea of a direct sales force is not being seriously considered at this stage—even though some of the brokers employ their own field men—and the group feels it can "come back with a bang" without resorting to this.

FNFC's reasons for the acquisition have never actually been stated at length, though it is clear that an insurance company can be considered a "logical corporate extension" for the group. And anyway the chance of picking up a life assurance company with a full book and an established property bond to manage, all for under £1m. was probably too great to pass up. The fact that FNFC is engaged in offering credit and second mortgages, among other things, is another point since indemnity insurance (where required) can now be written internally. And, finally, with no shortage of property expertise FNFC obviously thought it had something to offer on the investment side.

The new broom has led to a number of management changes. The two former CW leading lights, Mr. James Fullerton and Mr. Sidney Cook—who are credited with dreaming up the property bond concept and who also have been running a three-way fund (property, equity and fixed interest) since 1963—are to leave the Board at the end of the year. Fullerton, however, is to be retained as the consulting actuary.

The former management was by no means idle, though it could be accused of being reluctant to engage in promotional warfare with its larger rivals. Cook just about summed up what was wrong with the group when he said at the time of the FNFC deal that "I honestly do not think we are equipped to run this business any longer now the operation is going to get bigger."

Apparently, the size of the group has always had a restricting effect on the business and the fact that CW can now claim to have the backing of a £120m. financial combine has not only helped sales but also internal morale.

Some alterations to the property bond set-up have also been made. For example, the appointment of outside property management in the form of Healey & Baker has brought the group into line with the latest practice, and Jones Lang Wootton has been retained as independent valuer to the funds.

Also a standby credit facility with FNFC has been arranged which allows for 25 per cent. of the value of any one of the funds (including the cash) to be underwritten by the parent in the event of a run of redemptions.

Final decision

The final decision on any one property put up for recommendation by the managing agents does not rest with one person. A property manager has been appointed internally to vet all recommendations and after that, depending on the size of the transaction, they will be put up for consideration to various FNFC Board members. The final decision rests with Pat Matthews, though it is understood he would only come in on deals of, say, over £200,000.

One point that could bring the group a lot of criticism is its attitude towards dealing between associates. While no deals of this sort have taken place as yet, a spokesman for the group made it clear that they were not necessarily out of bounds—though he added that FNFC was "mindful of the criticism" and any deals of this nature would only be carried out with the assurance of "arm's length" independent valuation.

The portfolios of properties are currently still being sifted. Apparently, they reflect the age of the funds in that there are lots of the smaller properties remaining which were bought while CW was in the early stages of its development. Healey & Baker have been instructed to take a long look at these situations and to see if beneficial sales to tenants can be arranged. The new manager, Mr. R. Doulton, feels that units of £10,000 generally make more sense as owner occupier situations than as investments. The tendency therefore, will be to prune the number of units in favour of larger single investments in order to reduce the administrative costs.

All in all, FNFC has bought itself a very full range of plans—another first for CW was the property linked annuity. The most obvious gap is in the equity field since the only scheme linked to Ordinary shares is First Units—the triple mix fund—and since the investment management is already carried out internally it seems a natural extension. However, while this is understood to be well in mind the public's current attitude to equities does not exactly lend itself to a plan of this type at the moment.

It would appear that FNFC intends to enter this field in no light-hearted way and one can envisage further moves into the savings market now that the basic equipment has been acquired. In the meantime, existing City of Westminster policyholders have no reason to be alarmed at the new approach; indeed we may even see some really impressive performance from a property fund.

Finance and the family

Purchase of a freehold

BY OUR LEGAL STAFF

Under what circumstances can I insist on buying the freehold of my leasehold house? Would the acquisition of the freehold *automatically extinguish* existing restrictive covenants?

The Leasehold Reform Act, 1967, applies only to premises with a rateable value on March 23, 1965, of not more than £400 in London or £200 elsewhere. To qualify the tenant must be a tenant under a long lease, which is one originally granted for more than 21 years at a rent less than two-thirds of the rateable value, who has occupied the house as his residence for the last five years or for periods amounting to five years in the last 10 years.

The freeholder's restrictive covenants remain in force but any restrictive covenants in the lease would die as the lease has come to an end.

A preserved tree

Referring to your answer published on September 25 about a preserved tree: (a) Can it be taken that the owner of the land beneath the overhanging branches has no right of access to the tree owner's land to lop the offending branches? (b) If the branches of one side of a tree were lopped might it not be argued that the appearance of the tree is so spoiled as to defeat the object of a preservation order?

(a) We think so. The matter may probably be said to be debatable if the circumstances were such that the branches could not possibly be cut from the first owner's land, but could be cut from the tree owner's land. In general, however, the law does not encourage anybody to enter on the land of another for the purpose of abating a nuisance; (b) This cannot be helped if the tree is a nuisance.

Instructions not followed

I have been having a house built for me, but as I was dissatisfied with the standard of building, I instructed my solicitors in writing not to complete until I had viewed it. Nevertheless they did, on the ground that they were being pressed by the builder. What should I do?

Your solicitor is not entitled to act contrary to your express instructions but he may have thought that it was in your best interest to complete the contract, leaving you with your remedy against the builder for any defects. If you cannot recover damages from the builder for breach of contract you may recover such damages from your solicitor.

Estate duty and school fees

My mother is considering paying for the education of my sons who will be starting at a fee-paying school in about 3 to 4 years' time. I understand that if a capital sum is paid over in advance it becomes immediately free of death duties. Could you please advise me how this can be arranged?

This depends basically upon the willingness of the school concerned to accept such a payment. The theory is that in its hands the payment is definitely not a gift—it is a payment for services rendered or to be rendered (albeit not to the donor of the money) and so the money cannot be taxed as a gift *inter vivos*. We advise you to communicate directly with the school concerned—most of them are now well attuned to this kind of idea, and have their own schemes under which refunds are made if the place is ultimately not taken up.

Compensation for a house

Can you please tell me if, in the case of a compulsory purchase order, a sum paid as compensation for a house will at least be equal to the amount outstanding to be repaid on the mortgage?

The mortgage is irrelevant. In the normal case the measure of value is the market value on a sale by a willing seller with vacant possession.

Obstruction to right of way

The owner of a farmyard has a right of way through my land into it. For at least 15 years the right has been obstructed by a tree and a garage and the former gateway has disappeared. What are now the farmer's rights?

A right of way may be lost by abandonment. This requires 20 years' failure to use as a minimum: the Courts are always very reluctant to find that such abandonment has taken place, and there is always a very thorough inquiry into the circumstances of the case when any such allegation is made in Court. Mere non-use is definitely not the same as abandonment: and if the farmer has merely not used the right of way because for the moment he has a more convenient one would not prevent him using it again if it should become necessary.

Cottage in false name

Many years ago I bought a cottage in a false name: (a) Did I break any law by doing so? (b) If not, can I sell it, using a false name? (c) How can I correct the matter?

(a) No; (b) We consider that you ought to convey the property by your right name, affording to the purchaser a statutory declaration setting out the facts which will show that "X Y Z" (or whoever) was only yourself; (c) If the property is registered land, we consider that you should get the register rectified first. Again, we think the Land Registry would act on a full explanation of all the circumstances, supported (if required) by a statutory declaration by yourself.

No legal responsibility can be accepted by the FINANCIAL TIMES for the answers given in these columns. All inquiries will be answered by post as soon as possible. No charge is made for this service except in relation to investment matters.

Winding up an estate

What method, other than writing to the executors which produces no effect, is available to get the winding up of an estate completed?

In all such cases, if no adequate explanation is given for delay after one year from the date of the death, the beneficiaries can issue a writ for administration of the estate by the Court. This will usually cause the trustee to get a move on. In such a case we consider that the Court will always order an executor who has not given a thoroughly reasonable explanation to pay the costs of the application.

Ensuring a bequest

My father-in-law is in a position to buy his Glasgow house at a low price, and I am prepared to advance the money, provided I get the house when he dies. How can I ensure that having left it to me he does not change his will, or that other heirs do not obtain a share?

The legal rights which a spouse or issue of a testator can claim, despite a will to the contrary, are exigible only out of moveable estate, so that if your father-in-law does leave a will disposing of the house, the house will go to the heirs in terms of the will, and only to them.

In Scots law it is possible for a person to bind himself by contract to leave his estate, or any particular bequest, to a particular person, so that it will be possible for your father-in-law to bind himself irrevocably to leave the house to you. Such a contract can only be proved, however, by the writing of your father-in-law, who will, of course, be dead by the time any action can be raised, if there are any doubts. You would, therefore, be wise to see that the contract and will in question were drawn up by a solicitor.

Waiver of underpaid tax

I understand it was recently stated by the Chancellor of the Exchequer that, in case of error by a tax inspector, where tax was underpaid, it would be waived in respect of anyone in receipt of less than £1,500 a year. Could you let me have further particulars, please?

The general guide lines to which you refer are:

Where the taxpayer's gross income is less than £1,500 a year no attempt will be made to recover the arrears of tax.

Where the taxpayer's gross income is £1,500 or more but less than £3,000, only one-half of the arrears will be collected unless the taxpayer has significant capital resources. The normal working rule will be that the whole of the arrears will be collected where the total income amounts to £1,500 or more and includes income of £250 or more from investments.

Where the gross income amounts to £3,000 or more the whole of the arrears will be collected.

Before seeking to collect any part of the arrears the Inspector of Taxes will write to the taxpayer with details of his proposals and will consider again what action to take in the light of any representations. He will have discretion to meet the exceptional case of a taxpayer with large family responsibilities whose income is just above the normal limits for full or partial remission, or of a taxpayer whose investment income does not represent realisable capital (for example, an annuity).

Where the arrear, or part of it, remains to be collected under the new practice the question of spreading its collection over a period of years will be considered in the light of the taxpayer's financial circumstances and the amount involved.

If you wish to read about the matter in full the statement has been published by HM Stationery Office as Cmnd. 4729 costing 7½p and is obtainable from your local branch of HMSO.

Insurance

"No place like Home—for Thieves"

BY JOHN PHILIP

THIS WEEK the Home Office has launched a Crime Prevention campaign with the theme that we can all, each in his own sphere, help to reduce the incidence of crime and cut down criminal profit. At the same time, as a contribution to the campaign, the British Insurance Association has produced a leaflet for householders, "No place like Home—for Thieves," which describes the basic precautions which should be taken against thieves. Depending for its distribution on individual BIA company members, this leaflet will find its way to many household policyholders in the coming months.

Heavy losses

Insurers' concern with crime losses has in the past year or so shifted from the commercial to the domestic sphere, because this is where in total the companies' losses have become heaviest. The following figures have been provided for BIA member companies, and one must assume that Lloyd's underwriters' experience has been of a similar nature, though their total outgo will have been smaller, relative to their share of the market.

In 1970 the companies paid out £21m. for property stolen or damaged by thieves, not counting losses of and from motor-cars and vehicles insured under motor policies or losses of property insured under marine transit policies.

Of this £21m., £7m. was paid under household policies and another £4m. under "all risks" policies: this £11m. payout was 15 per cent. higher than in 1969 and 66 per cent. higher than in 1967. During this longer period, the companies' total commercial crime losses have remained reasonably static, below £10m.; and in view of the fall in the value of the pound, in real terms commercial losses have reduced.

Anyone having commercial crime loss cover, on the contents of office, factory or warehouse, on money, or on goods in transit, will know how insurers have turned the underwriting screw over the past few years. Of course they have obtained higher premiums, but principally they have been concerned to require firstly the installation of a wide range of anti-theft precautions as a prerequisite of providing cover, and secondly a regular review of the quality of the equipment employed with the purpose of its continuing improvement. This line has clearly paid off handsomely, to the benefit of both insurers and their commercial crime loss policyholders.

Why then cannot insurers take the same attitude with their domestic policyholders, to contain household losses? Why are the BIA leaflets necessary? The first point is that the domestic problem is one of very different magnitude: there are between ten and 20 times more household policyholders than commercial policyholders. So it has not yet been considered practicable for insurers to tackle the domestic crime problem as they have done the commercial crime problem.

Impracticable

Moreover, it is not practicable to require the private citizen to turn his home into a mini-fortress. The home is a place to which family and friends must have access at varying times. Because it is a place to be lived in there must be free access to most rooms at most times. So the range of perimeter and internal protective devices widely used on commercial risks are a proposition in the household sphere only where insurers are asked to cover a more than averagely hazardous risk.

Nevertheless the householder can and should protect doors and windows, as the BIA leaflet explains. Outside doors should be fitted with good quality deadlocks—at least to the standard of those carrying the British Standard "Kite" mark. Doors that can be locked from the inside should be fitted with bolts, top and bottom; key operated mortise bolts are recommended for wooden doors. Normal window fasteners should be reinforced by the fitting of inexpensive locking devices to ground floor and other accessible windows.

But as insurers know from the claims they handle, it is one thing to get protective equipment fitted, and a totally different matter to have it used at all relevant times. Here human nature is a practical obstacle.

In the past few years insurers providing household cover on houses and flats in certain districts of London have begun to require as a matter of course the installation of such locks and bolts as the BIA now recommends, and to couple with this the further requirement that these devices are put into effective operation when the householder goes out.

Policy conditions on these lines could well become far more widely used in the future, particularly if insurers' household losses continue to increase in the same proportion as they have done in the past three years. For there is a limit to the amount of claims insurers can pay without increasing premiums or deliberately forcing us all to be more careful on pain of not having all our claims met.

Valuable property

I have been talking so far, about the average householder, who has no more than £3,000 to £4,000 worth of property in his home. Anyone who lives more luxuriously, has specially valuable property, has his home in certain districts known for their high crime loss records or isolated in the country, will probably have been required already to take stricter precautions than those I have described.

The number of private householders asked to buy safes or to instal burglar alarms is still relatively few: but the number is growing week by week. For these people particularly household insurance has already ceased to be a cheap substitute for self protection. We should all heed the message behind the BIA company figures and in the BIA leaflet unless eventually this becomes true for us all.

TAXATION AND THE INVESTOR

Interest on borrowed money

BY JOHN CHOWN, TAXATION CORRESPONDENT

UNTIL THE 1969 Budget the general rule was interest paid on money borrowed was fully allowed as a deduction from taxable income. This was of course a valuable concession to surtax payers. They could borrow money, the interest on which could be offset against their income-tax and surtax in the highest bracket, and use the money borrowed to invest in assets likely to generate gains taxed only at capital gains tax rates.

Even better, it could be invested in owner-occupied property, gilt-edged securities or (qualified) life assurance policies, the gains on which were tax free. Typically someone might borrow £10,000 at 10 per cent. paying interest of £1,000 per annum. After tax relief this was only costing perhaps £200 per annum. The money borrowed might be invested in short term Government securities at a discount to show a certain tax free capital appreciation of 4 per cent. per annum. The effect of the operation was to double the net after tax return on the top slice of income.

Limitations

The 1969 Finance Act imposed serious limitations on the deductibility of interest on borrowed money. The Conservative Party promised to repeal these provisions but so far the new Government has not done so. There will almost certainly be some restoration of general deductibility in one of the next two Budgets but it seems unlikely that there will be a complete return to the pre-1969 position with all its opportunities for systematic tax avoidance.

Anyone in a high surtax bracket should as a general rule borrow money whenever he can do so in a tax deductible form. This is true even though he does not need the money. Someone buying a new house should normally mortgage it up to the hilt obtaining tax relief on the interest and using the money with which he would otherwise have paid cash to buy Government securities at a discount or some other capital appreciation assets.

At the other extreme there is a sometimes unrecognised danger in borrowing money in a non-deductible form for the purchase of securities. Gearing is a tempting concept, but someone who borrows £10,000 to buy shares will find that the dividends from the shares are fully assessable to income-tax and surtax and any capital gains on the shares are subject to capital gains tax and the gross interest on the money borrowed will have to come from the net rewards of the investment. This loads the odds very heavily against the investor.

In this article I am discussing solely borrowing by individuals, and not borrowing by companies. The simplest rule is that borrowing for the purpose of a trade is deductible. A sole trader or partnership is taxed on the profits of its trade but can deduct the interest on money borrowed for the purpose of conducting the trade.

For the investor the most important set of rules cover loans for the purchase for improvement of property in the U.K. or the Republic of Ireland. In general, interest is deductible on money borrowed for the purpose of purchasing or improving land or buildings (or for the purpose of a caravan provided that it is either a large caravan as defined or one which is to be owner occupied and which is to stand on a permanent site in respect of which rates are paid by the owner occupier or his spouse).

This concession applies equally to freeholds and leaseholds, to owner occupied property or to property held as an investment for the purpose of development. Interest on a bank overdraft applied in improving land or buildings is only deductible for a period of three years beginning from the end of the year of assessment in which the money is borrowed. This restriction does not apply to the cost of building as such *nor to improvements to farms*, market gardens or commercial woodlands.

Commercial owners of property will normally be carrying on a trade and will be able to take advantage of the general deductibility of interest paid in connection with a trade. Owner occupiers have particularly to watch the rule that for interest to be deductible the loan must have been "made in connection with the application of the money."

The important point is the purpose for which the money is borrowed. The nature of the security does not matter. Money borrowed specifically for a new purchase is eligible for interest relief. This would apply both to a building society or insurance company mortgage negotiated specifically in the normal way, and to a bank overdraft provided that the money was in fact used for the purchase of the property.

You might for instance wish to purchase a house for £20,000. You have a substantial portfolio of securities and go to your bank and arrange a £20,000 overdraft facility on the strength of these securities. You arrange to open a special account from which you draw a cheque or cheques in connection with the purchase. Interest on this special account is then deductible. The bank may treat the loan as a loan against securities, but from a tax point of view it is a loan for the purpose of buying a house, and is therefore eligible.

Lost right

If on the other hand, you had actually borrowed money for the purpose of buying a house and (completion being delayed for some reason) you had in the meantime invested the money in some other non-eligible way you will have lost the right to claim the deduction. Arguably, this would apply even if all you had done was to transfer the money to an interest-earning deposit account.

To take another example. If at the time you purchased the house your investment portfolio was temporarily liquid and you paid cash, intending to arrange a mortgage later, the subsequent mortgage would *not* be eligible. In September you happened to have sold securities for £20,000 with the general intention of re-investing. In October the house you were watching came on the market and you made a quick purchase for cash using the money out of your investment account. In November you want to arrange a mortgage—but it is too late *to obtain an eligible loan*. Any money you now borrowed, even as a specific mortgage against the property, would be treated as being applied to purchase the replacement securities, and not as a house purchase loan.

For the same reason, if you borrow money for house purchase from your bank it is essential to keep the account separate. Personal bank accounts fluctuate, even if only by the amount of the monthly salary cheque, and the fluctuation is much more substantial when an investor is reorganising his portfolio. If you borrowed £20,000 as an eligible loan and then sold shares for reinvestment you must on no account pay the proceeds of sale into the overdrawn account. If you did, you would be treated as repaying the eligible loan and any subsequent restoration of the overdraft to its former level would be treated as a new borrowing for a non-eligible purpose.

Once you have made an eligible borrowing, any new borrowings to repay that loan are also eligible. The strategy must now be clear. If you want to buy a house you should arrange the maximum possible borrowing from your bank or elsewhere to a separate account even if you happen to have money at the time. You might have £20,000 on deposit. You should persuade the bank to lend you £20,000 on a separate account even though you may for a time be paying them on overdraft perhaps 3 per cent. more than they are paying you on deposit. You then have an established loan which can be refinanced and you can arrange a mortgage at leisure. The mortgage money should be paid in to reduce the overdraft.

Two men, perhaps next door neighbours, each own houses worth £20,000. Each owns a portfolio of securities worth £30,000, and each has debts of £15,000. Their position is, you might think, identical. Not so.

The *first man* borrowed £15,000 specifically for the purchase of the house. Probably this was a loan from a building society or insurance company. He will get tax relief on his interest. The second man borrowed money from the bank, possibly against securities but with the general collateral of the deeds of the house. Subject to the transitional provisions he would not get interest relief and he cannot convert an ineligible loan into an eligible loan by now arranging to re-finance through a building society. It is too late.

Even if the original borrowing had been for the purpose of house purchase the old overdraft might have been tainted by being reduced by *transaction* of securities. It is not possible to clear up this situation by sales between husband and wife and the only way to convert a non-eligible loan into an eligible loan is actually to move house.

Motoring

A manual Rover 3500

BY JAMES ENSOR

I FIND it a puzzle that Rover should have waited so long before offering a manual version of the Rover 3500. The automatic version has been available for three years and has established itself as the most popular and successful car in its price class. But not everyone prefers an automatic, particularly in export markets, where the Rover has not sold as strongly as in Britain.

Perhaps because it was an automatic, the 3500 has established a reputation as a slightly sedate, though very comfortable and well-finished car. That there is nothing inherent in its basic design to give it this image is proved by the new 3500 S, a fast, well-behaved car which almost deserves the "sporty" tag which Rover's publicists have given it.

The "S" version costs £80 less than the automatic 3500, thus slipping just below the £2,000 mark. It will reach 125 m.p.h. and the use of a manual gearbox has clipped a full second off the time taken to reach 60 m.p.h. Fuel consumption at higher speeds is improved by a useful mile per gallon—representing a 4 to 5 per cent. saving. In terms of performance, the Rover can now match any of the saloon cars on the British market, bar the 4.2-litre XJ6 or the BMW 3.0 S.

Apparently it was lack of production capacity for the manual gearbox and for the litre engine which forced Rover to wait so long for the 3500 S. The 2000 TC has proved so popular that it was clear that a good demand existed for an even more powerful manual Rover, but the company was unable to produce even enough automatic 3500s to meet the demand.

The S differs externally from the 3500 only in minor details such as a vinyl roof and a stainless steel-spoked wheel trim. Inside, the excellent dashboard layout is retained. The seats have been redesigned in ventilated Ambla which should prove cooler in summer; they have also been given greater curvature to increase the lateral support when cornering.

SPECIFICATIONS

ENGINE: Three-and-a-half litre aluminium V8 developing 152 b.h.p. net.

GEARBOX: Four speed all synchromesh.

DIMENSIONS: Length 15 feet. Width 5 feet 6 inches. Height 4 feet 7 inches.

PERFORMANCE: Top speed 125 m.p.h. Acceleration to 60 m.p.h. in 10 secs. Average fuel consumption 22-23 m.p.g.

PRICE: £1,977.

The Rover 2000 gearbox has been strengthened and modified to suit the 3500. It has been given a short, floor-mounted lever which is well-placed but somewhat stiff and notchy. The gear ratios are almost the same as in the 2000, but the greater power of the 3500 means that it does not seem as high-geared. It can almost reach 90 mph in third, which provides a most useful overtaking gear; and cruising at 70 mph in top remains impressively quiet and relaxed.

One of the great attractions of the Rover 3500 design is that the weight of the aluminium V-8 engine is almost the same as the iron four-cylinder. The more powerful car is thus just as well balanced as the original two-litre and has much the same predictable roadholding. Equally, of course, its performance gains from the light engine.

The steering, which is responsive and controllable, is one of the best points of the Rover. It can become a little tiring during long Continental trips through Alpine passes and it is a little heavy in parking. But Rover now offers an optional power steering which eliminates these faults while losing only a little of the feel of the manual system.

When cornering hard, the Rover does roll much more than other cars in its class. This does not seem to affect its roadholding ability but it does make for more of a switchback ride. The all-round disc brakes, well-planned fingertip controls for horn and lights and easily visible instrumentation make the Rover a delightful car to drive and they reduce fatigue on long journeys.

The basic Rover body is now eight years old, and it is a tribute to the vision of its designers that it has worn so well—much better, one may say, than many of its rivals. The car does appear a little high waisted and dumpy, despite the efforts made to reduce this effect by giving it matt black sills and a vinyl roof and rear quarter. Inside, the individual rear seats are a little more cramped and the headroom and legroom slightly more limited than in its larger rivals. The boot, too, is rather small and is shorter and higher than in most cars.

Golf

It's Nicklaus v. Player

BY BEN WRIGHT

WENTWORTH, Oct. 8.

AFTER QUITE the dullest day's golf I can remember in the eight year history of the Piccadilly World Matchplay Championship, Jack Nicklaus, the title holder, qualified to meet three times winner Gary Player in to-morrow's 36 hole final on the West Course here.

To-day, in a hopelessly one-sided match, Nicklaus beat Neil Coles, the last surviving Briton, with consumate ease by 7 and 5.

In the other semi-final, Player played some singularly undistinguished golf, but got away with it and held on to beat the left-handed New Zealander Bob Charles by 2 and 1.

Controversial

The Nicklaus-Player final will have a special interest since the two previously met in a controversial match in 1966 when Player crushed his great friend and rival by 6 and 4 after Nicklaus had been involved in a furious argument which caused the referee, Colonel Tony Duncan, to be replaced.

Thankfully, Nicklaus has improved his image since then and I am ready to wager that he will be the crowd's favourite in to-morrow's intriguing match.

Player won this title in 1965 and 1968 also, but his golf at the moment is quite frankly governed by a very confused state of mind.

To-day he firmly placed his left heel on the ground after days of dithering between a sort of ballet-type pose and hitting off flat feet. His golf is extremely uncertain. The drives waver between the fine looping hook and the blocked shot to mid-off when the little South African over-compensates.

It is to be hoped that Player will rely to-morrow on the swing that has served him so well for so long, otherwise the final could become a massacre. For Nicklaus is playing at the summit of his considerable form, which means that, besides being far and away the finest fighter in the world, he is producing the putting to match.

His match against poor Coles was a pitifully one-sided affair because Coles makes no secret of his ambitions—to make a very secure living for his family every year with the minimum of effort. Coles is a journeyman and Nicklaus a genius. The only hope for the British player was to catch the American on one of his wayward days.

Alas, this was anything but the case, since Nicklaus holed the course in 68 shots this morning to be five up.

Coles was made to look a much more ordinary player than he actually is, outgunned in every department. His rounded swing was in distinct contrast to Nicklaus' up and down movement and on this occasion there was no pressure to unhinge the American and it was Coles who occasionally came adrift.

The British player could only hope for a quick and effective counter-attack after lunch, but Nicklaus was having none of it. Coles got away with a half in four at the 19th by pitching close to the hole, having come up short with wood.

But Nicklaus played superbly to take the next three holes to extend his lead to eight. At the short 20th hole he struck a glorious six iron shot five feet past the hole, and rolled in the putt for a two. At the 21st Coles only made the front fringe of the green with wood, while Nicklaus reached the top plateau with a one iron. Coles had very little chance of getting down in two and he duly failed.

Bad hook

At the 22nd hole the pressure induced Coles to hook his drive badly, he hacked the ball forward and was still short with his third shot with four iron. Nicklaus had hit the green with a five iron shot to win it.

But Coles, who had staged a similar revival in the morning, winning three holes in a row from the third, promptly did the same again.

At the 23rd hole, Nicklaus hooked his tee shot with a three iron into sand to lose it. At the 24th hole he cut his tee-shot, and clipped the trees with his wedge, while Coles threw a birdie at him, just as he did at the 25th hole with a six iron shot only a foot from the cup. Here Nicklaus was bunkered short with a wretched shot with a nine iron.

But our hopes of a dramatic revival were short-lived. Coles hooked his tee-shot at the 26th hole into the trees and was lucky to escape with a half in five, because Nicklaus took three putts.

But the English player lost the 27th hole and 28th and then I left him. At the former, he caught the left-hand trap with his second shot. At the latter he was long and left from the tee, attempted to putt down the slope off the pine needles, went by the hole by some four feet, and missed the return.

It was all over bar the shouting, and now there was precious little of this except in admiration of the magnificent Nicklaus' golf.

In the second match, there was almost a sepulchral silence during the entire afternoon, because, in all conscience, the standard of golf was ordinary in the extreme.

It had not been that way in the morning, however, when Charles had come home in 32 shots to Player's 33. The New Zealander finished with two fives to lose both holes, but otherwise his golf was superb at this stage.

It was far from that after lunch, and the sad truth for Charles is that his putting touch has momentarily deserted him. Several American players told me earlier this year that Charles had become a better player through the green this season as a result, but there was little evidence of this this afternoon.

Charles has a method which not only looks ungainly but positively frightening, since he goes back so much inside the ball and then comes down over the top with a lurch of his left shoulder.

Player really won his match over the first three holes after lunch, winning them all to go three up. At the first, both men were bunkered but Player, the consummate artist in this area, got up and down in two and Charles did not. At the 20th Charles took three putts and at the 21st Player played one of the greatest little pitch shots from an impossible spot to the left of the green and short that I have ever seen. His ball lipped the hole and fractionally stayed out. Charles, having hooked his drive, could not match the South African's power.

Fine pitch

But Charles played a fine pitch from behind the 22nd green to take that hole because Player was woefully short with his five iron. Thereafter they halved three holes until the 26th, where Player hooked his tee-shot among the trees and after two more wood-cutting attempts, picked up his ball and walked to the next tee.

So now there was only one hole in it, but all Charles could produce was anti-climax, and a huge hook into the jungle that lost him the 27th hole.

Player played a great second shot to the 31st hole to win it with a magnificent birdie three, and although he lost the 33rd, both men hit such poor drives to the 35th hole that Charles had no chance of getting up in two to extend the match.

Bridge

Pretty to watch

BY E. P. C. COTTER

NOW THAT the autumn is upon us, I must remind you once again of the Algarve and its International Bridge Week which is being held from November 5 to 13. I have played there the last two years, and I am looking forward to going next month. There is a Mixed Pairs, Open Pairs, and a Team event with prizes totalling £1,750. You have the choice of two fine hotels, the Penina and the Alvor Praia. The former is some three miles inland, but has the advantage of a golf course at the door, the latter is right on the sea and stages the Bridge events.

If you would like some November sunshine, take a trip to the Algarve and enjoy the special terms for those who enter the Bridge tournament. You can get all details from Casa de Portugal, 20, Lower Regent Street, London, S.W.1.

To-day's hand from rubber Bridge shows both dummy play and defence of the highest order. With both sides vulnerable South dealt the cards below:—

N.
♠ Q 4
♥ K
♦ J 8 7 6 3
♣ Q J 10 5 2

W.
♠ 9 5 2
♥ 8 6 5 3
♦ 10 4
♣ 8 7 6 4

E.
♠ K 8 6 3
♥ 7 4
♦ Q 9 5
♣ A K 9 3

S.
♠ A J 10 7
♥ A Q J 10 9 2
♦ A K 2
♣ —

One cannot criticise a two club opening on South's cards, but he decided, and I agree with his choice, to start with the one-round force of two hearts. North had quite a fair hand, but adopted the conservative course of replying two no trumps, and when South rebid three spades, said three no trumps. However, when South persisted with four hearts, North felt that his major suit honours were vital and bid five hearts, an invitation which South was only too glad to accept.

Against the six heart contract West led the eight of clubs, and the ten was covered by the Ace, a false card which South did not believe. The declarer thought of entering dummy with the King of trumps and finessing the spade Queen, but he saw that, even if the King was right, he would still lose a spade trick unless East held specifically King, nine, and eight. He then saw that, if he played the Knave of spades and it was taken by the King, this would create a second entry to dummy which would allow him to ruff out East's King of clubs and discard his losing diamond on the established Knave.

East, however, always suspicious of a Greek gift, spoiled this scheme by refusing to take his King of spades. The declarer now cashed his Ace of spades, ruffed his small spade on the table, and led the Queen of clubs. When East covered with the King, South ruffed and played three rounds of trumps, leaving this position:

N.
♠ —
♥ —
♦ J 8 7 6
♣ J

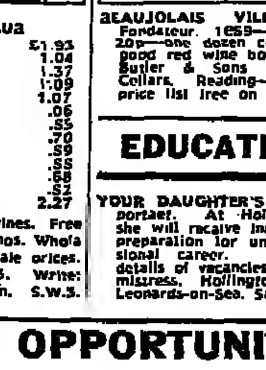
W.
♠ —
♥ 8
♦ 10 4
♣ 7 6

E.
♠ K
♥ —
♦ Q 9 5
♣ 9

S.
♠ 10
♥ 10
♦ A K 2
♣ —

After the Ace of diamonds had brought out a low card from each defender, the declarer played his last trump. West followed suit and East threw the nine of clubs. With an almost certain count on East, South placed him with an original holding of four spades, two hearts, and four clubs. Then he must have had three diamonds, and was therefore an odds on favourite to hold the Queen of that suit.

Now the ten of spades was played to put East into the lead and force a diamond return away from the presumed Queen into the split tenace. When East led back the nine, South confidently let it run to the Knave, and made the slam.



Travel

Yugoslavia's deep south

BY SYLVIE NICKELS

ONE SPRING DAY a few years ago, I was sitting on a wall outside a monastery in a place called Ohrid when a woman leaned out of an upstairs window and invited me up to coffee. Subsequently, I met the whole family, supped local wine, conversed with the aid of two minute dictionaries, watched "The Saint" on television with Cyrillic sub-titles, and began a correspondence that continues to this day.

Ohrid, about as far south as you can go in Yugoslavia, is the sort of place where the unexpected happens. It is on a lake, facing the blue hills of Albania; it is charming, its aged houses jutting out towards each other over narrow streets; and it is stuffed with historic interest for its importance as a cultural and religious centre goes back to Byzantine times.

Fascinating

Indeed, the whole southern bulge of Yugoslavia is fascinating, for later still—that is, about eight centuries ago, when princes flourished in obscure mountain fastnesses—the neighbouring Serbs built themselves a powerful little medieval empire. It spread eventually across Macedonia (including Ohrid), Montenegro, Albania and half of Greece. It might have spread a good deal further if petty squabbles had not obscured, until too late, the threat of the Ottoman Turks, who proceeded to swallow up the Serbian empire and much else besides. But that is another story.

The significance of all this to the present-day traveller is that with the founding of the Serbian Orthodox Church, the Serbian royal families built monasteries and churches to its (and their) greater glory, embellished them with frescoes that are among the medieval art treasures of Europe, setting them in some of the loneliest, grandest scenery you could wish to find. It is all in utter contrast to the far more famed attractions of the Dalmatian and Montenegrin coasts whose multinational hordes bask on the beaches only a few mountain ranges away.

There are day trips from the coast to a monastery or two; and organised monastery coach tours from Belgrade lasting several days. Some U.K. travel firms include part of the monastery circuit on tours of Yugoslavia. But ideally you should have the freedom of your own four wheels, which can be hired locally or in advance through one of the major car rental firms or most airlines or through specialists such as Lane's Travel Service who have all-in fly-and-self-drive arrangements in Zagreb and Split.

If you are starting from Belgrade, the following route is recommended, totalling about 900 miles and taking in most of the major monasteries of South Serbia, Macedonia and Montenegro: Belgrade-Topola-Kragujevac-Kraljevo - Zica-Studenica-Sopocani - Pristina - Gracanica-Skopje-Bitola-Ohrid-Tetovo-Prizren-Decani-Peć-Moraca-Titograd. Of course, it can equally well be done in reverse which is the way I did most of it last autumn. The greater part of this route is asphalted nowadays, except for a few sections of which a notable stretch is between Peć and Moraca over the Cakor Pass. This is an abominable but scenically glorious road rising to over 6,000 feet and often closed well into the spring because of snow. It can be avoided by a longer route.

Some monasteries are several miles off the main road at the head of remote side valleys, among them Studenica and Sopocani, right in the heart of the old Raska domain, the hub of the medieval empire. These are two of the finest monasteries, both in their setting and artistic wealth. Decani is only a mile off the road, not far from Peć which, in turn, is dominated by the great brooding mass of its Patriarchate. Moraca is right on the roadside, only 30 miles north of Titograd through magnificent gorges.

Near Pristina are the plains of Kosovo where the medieval Serbs had their bloodiest battle with the Turks, ending with a defeat that heralded the dark centuries for the south Slav lands. Pristina, Prizren and Peć are all strongholds of Yugoslavia's Albanian minority (Shiptar): colourful places in a dishevelled way that become a seething mass of humanity and livestock on market days.

For those who would prefer to be more static, Skopje in Macedonia would be a good place from which to radiate; it is also a remarkable example of what international goodwill can do in a practical sense, following the tragic earthquake of 1963. A convenient centre for the Serbian monasteries is Vrnjacka Banja, 20 miles from Kraljevo and 3½ hours by road or rail from Belgrade. This little spa and congress centre is keen on attracting more Western visitors and will appeal to those who like less sophisticated centres.

Excellent

Several of the monastaries have accommodation or restaurants nearby. We had an excellent meal in a small rustic-style hotel at Sopocani, with half a litre of wine, lamb, potatoes, salad, coffee and brandy costing well under £1 a head. Even better was the grilled trout, fresh from the river, at Moraca. With wine, coffee and plum brandy, the cost was also well under £1 a head. In this case the rather drab restaurant was enlivened by the full impact of a Montenegrin wedding, complete with chanting and fire-crackers. Next door, children played in the monastery courtyard. Inside, mass was in progress and, across the centuries, saintly faces gazed gravely at us in the flickering candlelight.

Further information: Yugoslav National Tourist Office, 143, Regent Street, London, W.1; Yugotours, 150, Regent Street, London, W.1; Lane's Travel Service, 251, Brompton Road, London, S.W.3.

Gardening

New roses after trial

BY A. G. L. HELLYER

LAST WEEK I received the list of awards to new roses made by the Royal National Rose Society and so I visited the society's fine trial grounds near St. Albans to see what progress has been made in rose breeding.

Regretfully I have to report that, judged on the award winning roses, there is little real advance and very much the mixture as before. In this huge assemblage of new seedling roses from breeders in many parts of the world the judges have been careful to exclude what little genuine novelty there may be. Almost all awards go to roses of the popular hybrid tea and floribunda types—that is to say, to roses which either have shapely high centred blooms to carry their flowers in large clusters, or best of all, combine both these characteristics.

Supreme award

Even the announcement that the supreme award, the President's International Trophy had, rather unusually, been given to a shrub rose, proved to be no real break with tradition since Fountain is simply an extra vigorous example of what I would call the Hybrid Tea type. It has glowing currant red flowers, of medium size, some carried singly on long stems, some in small clusters. The buds are shapely, the open flowers nicely scented, the habit loose and not at all what I expect in a shrub rose.

Fountain would look well at the back of a border or coming up through something shorter, but would not make, I think, an attractive specimen bush on its own, still less a sturdy hedge. In fact the whole effect is very similar to that of Uncle Walter. This pleasant but unremarkable rose is the creation of Herr Tantau, who years ago gave rose growers such really outstanding roses as Super Star and Fragrant Cloud.

The Henry Edland Memorial Medal is given to the most fragrant rose on trial, but this year the judges were unable to make up their minds and so shared the award between two contenders, a pale coral hybrid tea named Truly Yours and an as yet unnamed cherry pink hybrid tea which for the moment must be referred to as 1874. Unfortunately I cannot help my readers with any personal preference since 1874 had no open flowers when I visited the trial. I can only record that it is an exceptionally vigorous rose with long stems each carrying one bud in the manner of Peace. It was raised at the Melle Experimental Station in Belgium and appears to be a rose of superb constitution.

Truly Yours was in flower and the scent seemed fairly strong and rather distinctive, more in the tea class than the spicy clove scent of Fragrant Cloud. It is another exceptionally strong growing rose and the flowers are a very delicate coral not to be found in the horticultural colour chart. It was raised by Mr. H. Robinson who has given us many good garden roses.

Certificates of Merit were awarded to City of Gloucester, Stephen Langdon and Kerryman, and of these the first two had already received their essential Trial Ground Certificates last year. Yet of the three I prefer the newcomer Kerryman, a McGredy rose in the style of Daily Sketch with rather globular pink and white flowers in which the colour deepens attractively to carmine as they fade. So few roses nowadays die gracefully. Kerryman also has an excellent habit, well branched, not too tall and with plenty of good green leaves. In its rather conventinal way this looks a really good rose.

Crimson blooms

Stephen Langdon will please those who like Frensham but find that its constitution is declining. The light crimson blooms are rather loose and floppy in the Frensham manner and are probably a little larger than those of the old favourite, but it is in foliage that this rose seems most distinctive since the leaves are a rather dull purplish green. Personally I prefer the glossier lighter coloured foliage of Frensham which is still one of the sturdiest and most satisfactory roses in my own garden.

City of Gloucester is a big hybrid tea with unusually large, pale corn yellow petals. At its best, this is a fine flower, but it opens rather floppy and acquires a suffusion of pink as it fades. It seems to me to be neither full enough for the exhibitor nor free enough for the garden lover.

Some of the biggest blooms in the trial are to be found on Mala Rubinstein, another McGredy seedling, which I believe he regards as his best novelty this year. This is a real cabbage of a rose in the tradition of Caroline Testout and not unlike it in its blancmange pink colour (the official handout calls it coral pink with deep reverse, but I make it 55B, "neyron rose," on the R.H.S. colour chart for anyone who can refer to that excellent publication). I would also have considered Mala Rubinstein for the Edland Trophy, for this is a rose with a really old-fashioned fragrance.

Most interesting

However, to me the two most interesting roses in the trial were Nan Anderson and an as yet unnamed seedling from Herr Tantau, the first of which secured a Trial Ground Certificate and the second a Certificate of Merit. Nan Anderson is a delightfully shapely little flower, like a Garnette rose, and with the open branched flower clusters of Cecile Brunner. The colour, too, is distinctive, two shades of pink (the RHS chart calls them shades of Delft Rose, but both are far brighter and more irridescent than any printed chart can show). It comes from Andersons Rose Nurseries of Aberdeen.

Tantau's seedling, No. 2078, is remarkable for the brilliance of its Dutch vermilion flowers and its exceedingly compact habit. This is a bedding rose par excellence, around 18 inches high, covering the ground completely with its laurel green leaves and making the perfect permanent substitute for geraniums I will let F.T. readers have its name as soon as Herr Tantau publishes it, for I believe this to be a very good rose which should be tried when it becomes available.

Another interesting rose at the trials is Mr. Le Grice's Ripples. This has rather flat double flowers remarkably alike for their colour and the wavy formation of their petals. When first open the colour is a rather cold "blue," what the charts call mallow or phlox purple, but as they fade they gradually become pinker finishing up as amaranth pink or heather pink.

Saleroom

George III desk goes for £780

A SALE of English furniture at Sotheby's yesterday realised £20,747. Mrs. Broccoli gave £780 for a late George III mahogany pedestal desk, Rosensweig £600 for a George I walnut and parcel-gilt mirror, Rollesten £500 for a George III bow-fronted mahogany sideboard and Stranger £380 for a set of 10 George III mahogany dining chairs.

The second day of Christie's two-day sale of pictures and drawings c. 1800 to c. 1900 totalled £19,079, making £33,391 altogether.

Zehetgruber paid 700 gns for Franz Roubaud's *A Cossack Cavalry Skirmish*, dated 1893 and a private buyer 650 gns for *A Coastal Landscape at Equium* by Jean Charles Cazin. *The Letter* by Luigi Da Rios went to Flack and a pair of paintings of street scenes in Patna, India, by C. Doyley to Gooden and Fox, each lot for 480 gns.

At Phillips' £6,950 silver sale Angel paid £750 for an 89-oz epergne by Emick Romer, London, 1770.

A still life by Cornelis van Spaendonck went for £2,150 to Bergager and a view of a Mediterranean town attributed to C. Kuwasseg for £780 to Coulter at an 18th and 19th century picture sale by Henry Spencer at Retford. The total was £7,660.

At a sale of horse-drawn vehicles, etc., by King and Chasemore at Pulborough, Bristow bought a private dray by Barker and Co., of South Audley Street, for £3,100 and a four-wheeled dog cart by Collins of Oxford for £430. A 19th century horse-drawn fire engine by Merryweather of London went for £1,020 to Hardy and a bow top Romany caravan for £680 to Holt. The sale totalled £13,074.

Cheaper loans for doctors

CHEAPER loans for doctors buying or improving surgeries were announced yesterday. The General Practice Finance Corporation, set up over four years ago to help National Health Service GPs, is cutting the interest charged on new loans by ½ per cent. to 9½ per cent.

The Corporation, which has handed out more than £7m. in 1,300 loans, said the reduction took effect from Thursday.

ROME OFFICE FOR QUADRANT

A new Quadrant office—Quadrant Publicita e Marketing—has been opened in Rome. This further extends Quadrant's coverage of Europe. Signor Mario Cova has been appointed manager.

How to spend it

Sheila Black

If it's your pet's fault, then it's yours too

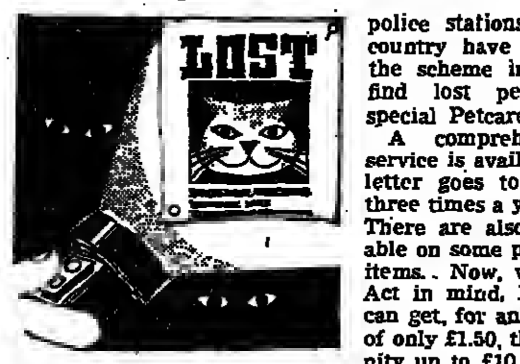
The new Animals Act came into force on October 1. From last Friday, owners became absolutely liable for the damage, injuries or nuisances inflicted by their animals, or through any lack of control of their animals. It is no longer an excuse just to have had a dog on a lead if he slips away. It is up to the owner to make sure he cannot. And so on. Horses, cats, and the rest are all subject to the new law.

Obviously insurance becomes essential. Calia (the Canine and Livestock Association) has been specialising in animal insurance for 40 years. The Canine All Risks Policy covers death from accident, disease, etc.; vet's fees; loss or theft, and the cost of advertising for the return of the dog (up to £30). It also covers loss of value if the dog's "career" is ended, and liability for personal injuries and for property damage. The cost is £7 per dog or bitch per year if the animal is valued at under £50 or 15p in the £1 above that value.

It is possible to insure only for personal injuries and property or for third party and vet's fees only (at £3 and £5 respectively). Policies are transferable if the animal is sold, are valid all over the U.K. and do include getting free legal advice concerning your dog.

That's for pets. Greyhounds have their own to cover death, loss of value, and so on. Racehorses are also in the list, with The Racing Stable Policy. This is a good racing horse policy because, rightly, it covers the insured for a drop in value as a result of sickness, disease, etc., as well as for loss, theft and so on. It may not be as cheap as some racehorse policies but it is considerably more beneficial in the event of accidents. Another is The Stable Policy, for horses and ponies. The Bloodstock Policy protects owners of stallions, broodmares and foals.

There is a Cats scheme; a Boarding Kennels Scheme, with a master policy for kennel owners and managers. There is also a Canine World-Wide Transit Insurance. I honestly don't think any animal owners should fail to write for relevant details to The Canine and Livestock Association at Calia House, 24-26, Spring Street, London, W.2. I am only ashamed that I have only just got around to filling in the proposal form for my Dalmatian of 10 months.



Petcare Club

The Petcare Club was formed by Quaker Oats early this year, at a cost of £20,000. So popular has the club become, with membership applications still rolling in at the rate of about 400 weekly, that Quaker is investing another £30,000 in the project. Membership, by the way, is 25p a year plus two product labels. The Petcare headquarters in London operate a 24-hour "Lost and Found" service, while police stations throughout the country have been notified of the scheme in case they ever find lost pets wearing the special Petcare medallion.

A comprehensive advisory service is available, and a newsletter goes to members about three times a year, maybe more. There are also discounts available on some pet and household items. Now, with the Animals Act in mind, Petcare members can get, for an annual premium of only £1.50, third party indemnity up to £10,000 in respect of any one incident or accident involving dogs. At the same time, vat's fees in excess of £2.10p to £20 are claimable. The insurance is worked in conjunction with Calia, so it is completely reliable. Petcare is at 143, Long Acre, London WC2 9QJ.

Algae cleaner

I am always fascinated by those ideas which are so simple that ona wonders why nobody ever thought of them before. The Algae Magnet is just such an idea.

Anyone who has cleaned fish tanks or any kind of aquarium will know that the insides have to be cleaned of green algae. Usually, one has to put one's hand in, up well above the wrist and wipe around with an absolutely clean rag or firm tissue. It is messy, cold unless the fish are tropical and the tank warmed, and now unnecessary.

The Algse Magnet consists of two blocks in a little plastic box. They are powerfully magnetised, non-rusting, non-toxic and all that. They measure about 1½ by 1 by ¾ inches, so are usable in tiny bowls and tanks.

One block is faced with a fine nylon scourer, the other with felt. The nylon block is put inside the aquarium, against the glass; and the felt-faced block, with its opposite polarity, is pressed against it on the outside of the glass. There they cling together, with glass to separate them as the wall separated Pyramus from Thisbe.

Now all the aquarist has to do is to move the outer, felt-faced block around. Thus the inner glass is cleared of algae while the outer is polished. You can leave the magnets on the tank, if you like, occasionally removing the inner one for cleaning. Isn't that marvellous? The Algae magnet costs £1.44 at most suitable shops and departments.

The maker is Inter-Pet, a highly enterprising firm at 22 Church Street, Dorking, Surrey. Originally formed to produce the now-famous Liquifry food in "tooth-paste tubes," Inter-Pet now makes more than 400 items for fish lovers. I love their stainless steel tanks, as much for the clean way they keep their looks as for the practical reasons.

Clean pet centre

From Inter-Pet, which has its own breeding fish farm at Walton-on-Thames, I learn that more than 10 per cent. of British homes have fish tanks. Well, there are lots of homes where you can't keep any other pet. There are times when my dog and my parrot convince me that fish are really the only peaceful pets. A friend has such a superb tank that one of his visitors mistook it for a colour TV set. Or so he tells me and I suppose I must believe it. Especially as the visitor was a BBC film editor.

The Minimatic heater thermostats are super of their kind, also from Inter-Pet. Shorter and slimmer than most I see about, they handle the necessary wattages. A mini thermostat at 4 inches long by ½-inch diameter copes with up to 200 watts. The combined heater-thermostat is 8½ inches by ½-inch diameter (at £1.25). Details, and a copy of "Aquatic News," from Inter-Pet.

A reader, Mr. Warren of Godalming in Surrey, comments that "it has always struck me as odd that so many pet shops in Britain are unattractive and, frankly, plain dirty." He's right, too, and this is alleged to be a nation of pet lovers.

In Bramley, just south of Guildford, between that city and Cranleigh, he found a really elegant pet shop with bright, clean wares on bright, clean premises. The fish were unscreened by algae, in 50 or so spotless tanks. In salt-water tanks, marine fish of "almost unbelievable" beauty disported themselves happily against a blue background and dazzling coral sand. A pair of chinchilla decorated the mammal section.

The proprietor, John Adams, opened the shop last year and has found his policy pays—a policy of buying nothing but the best and selling it in peak condition. Mr. Adams believes that the system he has evolved for amateurs to keep marine fish is the best in Britain to-day, says my reporter, Mr. Warren.

The Warren Report ends: "I had to drag myself away from this elegant establishment, which usefully has a public car park just opposite. And, as I left, a superb green macaw winked at me from his commodious cage in the window, as if to say, 'You'll be back.' And I shall be."

Thank you, Mr. Warren. I am often in that part of the world, and I shall go into Bramley especially to visit The Ark Pet Centre in Bramley High Street.

An orange and lemon squeezer which has its own lid for pantry or refrigerator storage. The jug holds a pint. The squeezer is well ridged, and the jug has a small lip. The lid is designed with a cut-out so that it doesn't have to be removed for pouring, merely twisted round to line up with the lip. Of hard-wearing polypropylene; odourless, able to withstand boiling water—useful for honey and lemon cold cures, that. In orange and white only, this two-tone squeezer sells by mail order from Post-Haste, 13 Wilton Way, London E8. The price is 49p including postage and packing.

Bags of bags for food

Freezer owners are thoroughly catered for nowadays. The Alcan range of dishes in aluminium foil is splendid. The boxes of foil have been redesigned, too, to show little and appetising pictures of some of the uses of foil. In fact, the whole Alcan range is building up—cling wrapping for sandwiches and other foods need no elastic band or string or anything—look out for Alcan Wrap, with its self-seal qualities. Big-Bags are useful, too. These are the familiar rolls of polythene bags to pull off as you need them, like the Snappies small and larger rolls. But these Big-Bags have side gussets so that they open up to very generous proportions in spite of taking up so little room in the kitchen. They cost 15p the pack.

Snappies now does the rolls in freezer bags, of heavier duty polythene, also gusseted, and in three different sizes per pack of either 12 or 30 bags. Snappies' cling-wrap is called Snapwrap. These cling wraps are good because they exclude all air from the food. Incidentally, Snapples does the widest foil I've seen—24 inches across and 14½ feet long per roll, 30p. Now wrap that turkey.

If you do not know Roastabags, look out for them. Clear and tough, they are bags into which you pop the joint or chicken and then shove it into the oven. The meat roasts, with juices staying packed around the bird while the oven walls remain unsplsshed. Some years ago, I mentioned this stuff in sheet form. The bags form is terribly convenient.

Baco Foil has launched a special, heavy-duty Freezer Foil for Autumn fruits, about 40 per cent. thicker than the standard stuff and washable to use again. The rolls are 18 inches wida and 12½ feet long for about 21p.

Boots has also moved into the big bags business with 150-gauge polythene bags for freezers as well as with gummed labels, colour coded and all that. Bettacold have started marketing those very, very strong gusseted bags of strong paper lined with foil or polythene—the kind used by take-away food and chicken caterers. They are rigid enough to stand and be self-supporting while you fill hot foods or stock into them.

Flav-o-Pak, the polythene lined bags, are 40p for 10 of the 1-litre or 8 of the 2-litre sizes. Flav-o-Foil (foil-lined) are 50p (same quantities in the packs). We'll give detailed information but these are all widely stocked.

Gingerbread Mix

Pearce Duff's new Gingerbread Mix is a good one. It is also the only one. I must say it makes gingerbread-making a simple and quick operation. One adds only golden syrup, margarine and milk, all of which should be fresh anyway. I like to add more syrup than the recipe calls for on the basis that gingerbread should be really moist. The flavour is good though 6-oz sachets sell at 5p in most grocers (Pearce Duff's address is Spa Road, London, S.E.16).

Dairy Ice Mix

Talking of mixes, Glenville is doing the first Dairy Ice Cream Mix. Ice cream mixes are not new, but this is Dairy Ice Cream. Merely mix with milk, whisk and refrigerate. A pack of three sachets (two vanilla with one strawberry) is 16p and the yield is about six average servings. You can make this in an ordinary fridge. Glenville is at Thames Bank House, Tunnel Avenue, London, E.10.

Colour Beeton

The best recipes I have come across for basic ice creams for freezers are in Mrs. Beeton's books, of all places. She had to churn, of course. But there is now a Mrs. Beeton brought up to date. Elinor Goodman went down to the Dormy Inn at Immingham, a really beautiful week-end place with riding and golf and superb scenery plus comfort and catering to enjoy. The occasion was the launch of "Mrs. Beeton's Cookery in Colour," 250 pages of Mrs. Beeton brought up to date and supported by colour illustration. This adapts Mrs. B to TV dinners, convenience foods, and the freezer age. Clement Freud cooked for the guests who happily tasted dishes from this book and everyone had a great time, rather better than Mrs. B might have approved. The book costs £2.50 and is published by Ward Lock of 116, Baker Street, London, W.1.

Slimming

All this food reminds me of the slimming expert, Alan Fewster. Back in the summer, I wrote of his correspondence course slimming methods. Now I find they really worked on some FT readers.

One man—I have all the names, addresses, case histories and letters but don't want to give their names away—not only lost his 15 lbs but has held the loss. Three other lost 14 lbs. They, too, have held the loss.

The course is a sensible one prepared for men who have to eat out and be social so it is not difficult to stick to and it has been prepared with the utmost care to make it easy to follow and difficult to cheat. Let a fellow-journalist sum up. He says he lost a stone in the five weeks advised for the job. He found the course less brutal than most, allowing for a normal life.

Now, a month after the diet was done, he has reverted to the pint of beer he enjoys so much, but is holding the weight loss and found his calorie intake balance. He is delighted with his changed life and appearance and all done so painlessly. I thought you would like to know. The address, for those who missed it last time, is 91 Sloane Street, London, S.W.1. It works wherever you live.

Dangerous shears

Last summer, I showed a picture of some cordless electric grass shearers for trimming edges. They were sold complete with a charging unit.

The equipment was made in America and marketed over here by Wilkinson's Sword. It has since been found, after Consumers' Association tests, that the insulation of the charging unit could fail and that users touching the blade while the shears are being charged could get shocks at full mains voltage.

Wilkinson's want everyone who bought one to return the units to them by post, for replacements made in Britain to our high standards of safety. There will be no charge. Every piece will be replaced free. All stocks are being withdrawn from retailers to be replaced with the new unit. Please send your shears to John Whitty, Wilkinson Sword, of Southfield Road, London W4 5LE. Do it now.

I must admit I love wall-fixed can openers. Most of all I love electrical can openers and their effortless coping. But they cost money. So a really good implement is the next best thing.

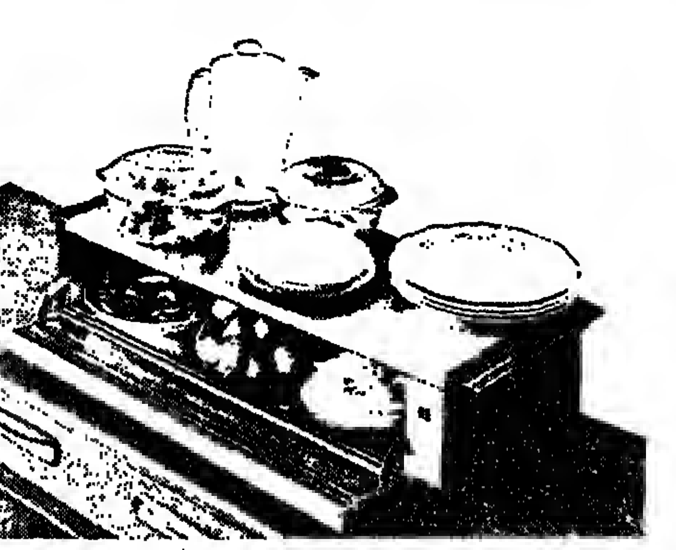
This is hardly even second-best, this first-class new Tower Crown Merton Slimline can opener. It works like a dream and looks very, very smart. The back plate is flat, only just over half an inch thick. The whole thing, including handle and cutting wheel, projects only 2½ inches from the wall. And it's easily fixed because the main unit slides on over a screwed-fast back-plate.

It has no foldaway or tuck-back system. Just put the tin under the cutting wheel, turn the handle clockwise—not holding the tin—and your can is opened. Turn the handle anti-clockwise, and take away the released tin—the top being held by a magnet. The magnet is in a hinged lid to make cleaning easy.

This really is a covetable addition to any kitchen. It is in flame or yellow, with white plastic trim "hood" over the cutters and white on the handle. The price is £2.72, and it is in many, many stores and shops. For stockists, write to Tower Housewares of P.O. Box 16, Wolverhampton WV5 8AQ.

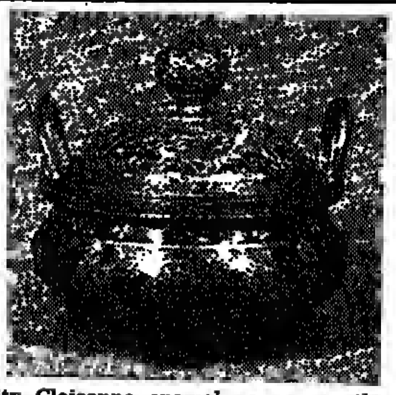
Really new, really well-priced, really intelligent in design and function is this combined electrically-heated food cabinet and hot plate. The big Hostess cabinets are marvellous, but they are big and they are expensive.

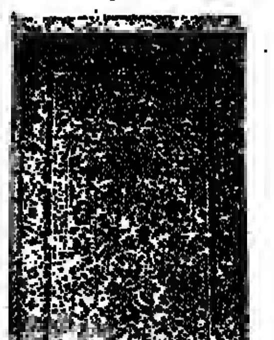
Hot trays are marvellous, but they don't hold an entire meal and some things do need to be enclosed so as not to spoil. Now this comes along to be both, with moist-heat cabinet and hot tray. I found you could cook vegetables and things well in advance, and keep them without spoiling while people lingered over drinks and the starters. Hot snacks for parties, children's meals, everything can go in here. You can even get roasts inside. It measures 25½ inches wide by 11 inches deep. The closed, moist-heat cabinet is 4½ inches high.



Not expensive to run, the thermostatically-controlled cabinet runs for more than two hours on one unit of electricity. It is very easy to clean, and looks good too. The cabinet sides and door are black or brown metal. Brush stainless steel top, wood handles, and polypropylene feet are all evidences of thoughtful design.

In most major department stores—we have a good list in the office if anyone cares to phone. Harrods, Fortnum and Mason, Maples, Selfridge, Heals, Army and Navy etc. Ask for the Ekco Cabinet Heat Tray. Now the price. Around £16.95. Now that's not a price to complain about for this when you look at the price of other keep-hots. The maker is Ekco Heating and Appliance Division of Pye, Drury Lane, Hastings.





Saleroom

COLLECTING WISELY

The charm of bamboo

BY DAVID ROBINSON

DESIGNERS in France and America heve heen rather quicker than we heve to see the decorative possibilities of late Victorian bamboo furniture; but perhaps they were not hrought up, like us, on memories of the run-down seaside boarding houses where hamboo whatnots, jardinières and ballstands seemed to survive longer than anywhere else. Indeed, I am not sure if I would have come round to the charm of bamboo if I had not had to furnish an npper floor of a rather duhious strength in a Victorian terrace house; and discovered its remarkable comhination of extreme light-waight and sturdiness.

I have seen Victorian hamboo offered seriously and expensively by posh shops (BADA and all) as genuine Regency; hut there is not really any possibility of confusion. A certain amount of actual bamboo furniture was imported from the East at the end of the eighteenth century. hut it is unmistakahly oriental; and the English-made "bamhoo" popular at the start of the nineteenth century and included in Sheraton's *Cobinet Dictionary* of 1803 appears invariahly to have heen turned in heech, in simulation of the real bamhoo.

The first vogua for hamboo arose from the Chinese craze. Victorian hamboo on the other hand had its origins in the enthusiasm for Japan after the Empira was opened up to the West in the mid-1850s. Japan was persuaded to participate in the International Exhihition in South Kensington in 1862; and it is hard now to appreciate the impact of the Japanese Court, which looked like an overstocked junk shop with its muddle of fans, armour, firemen's uniforms, banknotes and innumerahle other knick-knacks, hut which was nevertheless Europe's very first sight of marvels like eggshell china, Japanese embroidery, lacquer and artefacts in rattan and bamboo. At the Paris International Exhibition of 1867 Japan had a still larger display. and the Japanese mania was really on. The eventual consequences included the Impressionists—and hamboo furniture.

A manufacturer's pattern book of 1876 already proposed a hamboo room; hut such furniture did not come into general fashion until the middle '80s. The 90's seem to have heen the height of the vogue; and very little hamboo can have heen made after the start of the 1914-18 War. At the peak whole rooms were decorated, with dadoes, friezes and furniture all in hamboo and matting. "A parlour or drawing room decorated and furnished with hamboo, especially if the ornaments also were of Eastern type, might be made hoth charming and unique" advised a manual of c.1895. Japanese influences soon vanished with the development of a wholly vernacular and popularised style.

The techniques of working bamboo were simple; and the very limitations demanded a degree of ingenuity and invention from the craftsman. His only material was the bamhoo which came in thicknesses from ⅛ in. to 2 in., and in various colours—brown, yellow, tortoiseshell, hlack and mahogany, the lsst three being artificially coloured.

For ornament there were the gnarled roots of the hamboo; lacquered panels imported from Japan, decorated witb birds and follage in characteristic red, black and gold hut generally cut and fitted with cheerful disregard for the design; and as an alternative for tops and sides, straw matting and Japanese leather paper. Bamhoo was hard and brittle and the methods of jointing it were elementary and strictly limited—though it could be bent under heat.

With such limited means the bamhoo makers—largely anonymous small concerns though there were bigger manufacturers like Models of Charlotte Street and Iverson and Eidam of Tottenham Street—created work in remarkable variety: hall-stands, music cabinets, easels, seat furniture of all sorts, hedroom suites (though actual heds were unusual: clearly there was some limit to the strength of the joints) and an infinite range of whatnots, plant-stands, hookshelves and occasional tahles. Years ago a shop in Peckham had a bamboo piano: its tone was prohably nnt of the hest. The craftsmen liked to show off the versatility of their material in mechanical furniture—teatables with innumerable fiaps, revolving bookshelves, or "monks' benches" which converted from settees to tahles.

A good deal of hamboo in fact was eccentric to a degree; hut sometimes it scored from a design point of view, either hy sheer exuberance in the assemhly of little shelves, cuphoards, mirrors, bevelled glass panels, knobs, cornices and curlicues into single compositional entities; or by a four-square elegance produced by structural necessity. The chair in the illustration for instance—a little surprisingly it is upholstered in an original Morris fahric—has a classic proportion and style of its own.

Collecting hamboo requires a fresh eye to distinguish the hest from the indifferent, ubiquitous mass of tahles, whatnots and canterhuries. But the good and unusual pieces are well worth seeking out. Superior examples are getting scarce. Vast quantities have heen destroyed over the years; a lot more is exported; and a year or two ago there was a nasty colour-supplement hahit of lacquering it in gay enamels, which is going to madden connoisseurs of the future.

The pioneer collector will also do well to develop a taste for searching the lower reaches of the antique market, where It is still possible to huy for a fraction of the prices already being asked hy interior decorators.

The Arts

Second thoughts

BY B. A. YOUNG

Harold Pinter's production nf Joyce's play at the Mermaid last year was a revelation to me; the piece proved to have a dramatic quality much superior to wbat I got from the printed page, or from the one other production I bad seen. Now at the Aldwycb be gives us hasically the same production, with two of the same leading players, but still further refined.

Baldly speaking, the play concerns a duel between two men for the possession of a woman to whom they hoth feel they can make a moral claim. Richard Rowan is a distinguished Duhlin man of letters who, nine years before the play hegins, skipped off to Italy with Bertha, a girl of lower class and duhious morals. He has now raturned to Duhlin hoping for a university chair in Romance Languages; he llves with Bertha and their son *en famille*, hut there has never been any true intellectual communication between them.

The other man, Rohert Hand, wbose first acqualntance with Bertha was made at the same time and in the ssme way, ls a journalist of repute; bis feeling for her ls purely carnal, hut it's arguahle that she wlll be happler with him in such a liaison than with the spiritually exalted Richard.

The deployment of the plot is diaholically ingenious, and (though I confess I wasn't so sure at first) yields more and more fascinating subtleties with each viewing. The moral dilemmas that assail all three of the principal characters are lsolated and examined by Joyce with great clarity, and tha play is sown with cunning ambiguities that keep you constantly anxious for the next development.

It is true that Joyce, who aeldom went to the theatre, wrote his dialogue ln a pontifical Victorian cast that, even under Mr. Pinter's scrupulous direction, sometimes tempts the players into a slightly too dramatic speech. As I see it, to hold exactly to the unnaturally stilted words the inexperienced Joyce put down ("Do yon allow me to go throogb the garden?" asks one wnman of another, when surely, even in Dublln, any woman in 1912 would bave said sometbing like "Can I go this way?") is an unkindness to his memory, almost as immoral as was tbe ungiueing of the hidden pages in Housman's notebooks to pnhlisb the poems he tried to hide. Joyce wrote fine, natural dlalogue ln bis hooks, and probably thought he had to write like this for the theatre hecause be found lt in works like Archer's translations of Ibsen. Couldn't we at least have "don't" and "isn't" for "do not" and "is not"?

This stagey use somewhat mutes Joyce's entertaining comedy. There's a great hit at the end of the first act where Bertha, having allowed Robert to make love to her, gives an action replay of it to Richard as soon as he ls gone. Vivien Merchant, who plays Bertha, gets some ripples of laughter from this; hut John Wood, whose performance as Richard ls one of the finest things to be seen in London at the moment, maintains his marmoreal superiority, and so cools it down. The start of the second act, too, where Rohert ls tarting up his little cottage wlth a scent-spray in the expectation of Bertha's visit, only to find that bis first visitor is Ricbard (whom he bas thoughtfully provided with an engagement to dine wlth the Vice-Chancellor), abould he funnier than it is; though T. P. McKenna does very well with the character, a Dublin man-about-town who might have strayed out of *Dubliners* or *Ulysses*.

However, no more complaints. Estelle Kohler is fine as Beatrice, Robert's cousin and Richard's spiritual affinity; there are excellent sets by Eileen Diss; Miss Merchant has put on a faint, rather too evanescent, Irish accent to emphasise her social position; and the evening is a pronounced success.

A second visit to John Osborne's newest play *West of Suez* now at the Cambridge Theatre in London gives a chance to try and find some answers to the numerous questions that remain uncomfortably open after the first.

To recapitulate, tbe play deals with a day in the life of a famlly in a house in an anonymous ex-colony that I would call 90 per cent. West Indies and 10 per cent. Africa. The house belongs to a retired hrigadier married to the eldest daughter of Wyatt Gillman, a famous writer who might be loosely compared with J. B. Priestley. Gillman is there on holiday wlth bls secretary; so are his three other daughters, Frederica and Mary with their hushands Edward and Rohart, and Evangie, the intellectual, who is unmarried.

Also visiting the house are Owen Lamb, another famous writer, who lives on the island, Harry, an American neighhour, Alastair, a queer hairdresser who bas come to do the girl's hair hnt ls treated as a guest, and Jed, ao American student whom Alastair has picked up. The whole of the first act is devoted to presenting these characters and explaining their mutual relationships.

Vivien Merchant and John Wood in "Exiles"

Gillman, interviewed hy a sour local woman journalist ln a scene of coruscating wit, lets drop some careless lncivilities ahout the indigenous people of the island. This is the first significant development in the course of the play. The next comes right at the end, when first, Jed hursts out into a tirade of conventional yippie ahuse and prophesiea the imminent destruction of the English, and then two local guerillas shoot up the party at random snd leave Gillman dead on the lawn.

Now for the questions.

Why does Mr. Oshorne devote bis first 20 minutes to a duologue between Frederica and Edward, and then dismiss Edward for the rest of the play, except to pronunce a curtain-line over Gillman's body? What is Edward talking to Jed about, offstage, on the beach, that gives Frederica so much worry in the second act? What does he mean by bis sibylline utterance over the dead man, "They've sbot the fox?"

Then, is there any connection between Jed's threats of disaster and tho almost immediate appearance of the gunmen? What is the function of Harry, who barely says a word all evening?

Since I saw the play at the Royal Court I've heard all sorts of guesses at the solution of these prohlems, and some pretty tortnous explanations of the play in terms of symbolism and allegory, too. I am content to leave them alone. The play must stand on its vital characterisation and some beautifully-turned dialogue. The method is the method of Chekhov, even if the achievement is no better than a very good try.

Of its theatricality there can be no douht when you sea how consummately actable every part is. Ralph Richardson ls superb as Gillman, a study of that kind of spoilt irresponsihility that keeps an appearance of youth blooming into old age. The performance is full of gems—the long catalogue of nervous introductions when he first meets Lamh, for instance, and, hest of all, the sciptillating duel with Sheila Burrell as the interviewing lady, a splendid show-off scene for hoth of them.

There is fine work too by Jill Bennett and Geoffrey Palmer, who, as Frederica and Edward, bring life to some very sticky domestic passages; by Stephen Moore as the down-to-earth Midland schoolmaster Robert; by Nicholas Selhy as Owen Lamb; by the whole lot, in fact, down to the wordless display of emergent arrogance from Raul Neunie as Leroi tha manservant.

There is full colonial nostalgia in John Gunter's palm-girt setting, with its lawn sloping down from the terrace. I've only one quarrel with Anthony Page's direction; I don't helieva everyone would ha so impassive after the attack. They seem no more concerned hy the shooting and the death than if Gillman had bad a fainting fit.

Takemitsu

BY DOMINIC GILL

Toru Takemitsu (b.1930) is one of the most important of tha younger generation of Japanese composers. His music has for many years now been widely discussed and admired hy fellow mnaicians (among them Cage, Boulez, Xenakis, Henze, and with certain reservations, Stravinaky: Copland has called Takemitsu "one of the outstanding composers of our time")—hut in this country he has generally suffered a mnch undeserved neglect. Two days of the *Journées de musique contemporaine* in Paris later this month are heing devoted to his work, and I shall he writing about it—and ahout a numher of Takemitsu world premières—in greater detail then.

In tha meantime, it was good to see one of onr major orchestras take the initiative on Thursday and give over the first balf of their programme entirely to Takemitsu. It was, admittedly, only a singla work and a short one—*November Steps*, a 20-minute concerto for symphony orchestra and two Japanese instruments, commissioned in 1967 for the New York Philharmonic—and it was rather oddly coupled (to say the least) ln the second half with Brahm's violin concerto. But the NPO under Seiji Ozawa played it with enthusiasm and care: an encouraging and worthwhile departure from Beethoven—and one, at least, which drew fewer empty seats than some had feared.

November Steps is an experiment in cross-fertilisation, a drawing-together of old traditions in the any-man's-land of the avant garde. Traditions, at least, as represented on the one hand by two of the oldest Japanese instruments, the hamboo *shakuhachi* finte and the flute-like *biwa*, and on the other hy a conventional Western orchestra group; hut hoth of them come together in a sound-world that is essentially Takemitsu's own. It is a timeless world, inhahited by tiny, aharply-focused moments between all of which lie an infinite variety of subtle gradations: music ln suspension, that nonetheless moves to a point, set in the mind. Difficult to describe: night-music and day-music ln an alien forest, dominated hy the soft boom and clear reedy hird call of the *shaku hachi*, and the percussive clang of the hiwa. Towards the close of scene, a long solo cadenza: a mesmerising duo that slips first into a lonely dream of aong, and then into nothingness.

Iolanthe

BY GILLIAN WIDDICOMBE

Fancy a short, dark and fat fairy; or a tall, hlonde and fat fairy? Or a tall, dark and thin Grenadier guard, who alao turns out to be a fairy? Fancy a short, musical comedy with a low brow but a high proportion of lines that still seem truly funny? All or any of these, and you will bave a good evening at the Coliseum's *Iolanthe*.

The evening is not quite as good as it used to he when the Wells was at Sadler's Wells. Then Frank Hauser's production achieved a cosy style of self-mockery that was all the more funny for being the first to take the D'Oyly Carte out of Gilbert and Sullivan. His fairies still clump and trip; his peers still chime and whine; and the lecherous Lord Chancellor is still hilarlously carted off on the crest of a harrel of cockles.

But on Thursday I was conscious of the cast leaning forward downstage in order to get Gilbert's lines across. Only Anne Collins, as the fruity Fairy Queen with a secret passion for privates, achieved the salacious comic timing of previous years. Sbirley Chapman seemed uncertain of Iolanthe's more serious involvement; Ann Hood and Tom McDonnell made a wide-eyed Pbyllis and handsome Strephon, but nelther were ideal Arcadians; even the company equivalent of Morecambe and Wise—Eric Sbilling as the Chancellor, Denis Dowling as Mountararat—took some tima to warm up.

Nn doubt the whole company will warm up when this production has got used to its revival (We have not seen it at the Coliseum since the 1969 season. Certainly the cast must get used to Hazel Vivienne's slowish tempos; ensemble between stage and orchestra was almost a joke on Thursday. That is not so funny because in many ways *Iolanthe* has the best of the Sullivan scores; but neither the lengths of musical parody nor the lilting patters were particularly well done. For those who noisily tuck frult pastilles into their cheeks during the overture, this may not matter. But also on sale in the foyer is a delightful set of records to remind us that the Sadler's Wells company could do hetter.

Vehicle and General Tribunal of Inquiry

Hunt explains thinking behind underwriting policy

BY U. A. YOUNG

Mr. A. T. Hunt

THE BASIC philosophy behind V & G's underwriting was explained yesterday by Mr. Alfred Theodore Hunt, former managing director.

Mr. Hunt, of Waresley Park, near Sendy, Beds., who was managing director of V & G from 1961 until October 2, 1970, when be gave up the appointment owing to ill-health, was giving evidence on the 42nd day of the inquiry into the company'a collapse.

He was asked by Mr. John Davies, QC, for the Tribunal, about the underlying philosophy of the V & G nnderwriting.

Mr. Hunt said it was very simple. He bad been in the insurance industry since 1936, most of that time in tariff organisations. "It seemed to me absolutely incorrect that the proven motorist should in actual fact subsidise the bad motorist," he said.

Portfolio

He said there seemed to be quite a few misapprehensions about "knock for knock" and how it worked. A "cream account" which meant the driver who had proved to be much better than the average, gave a far better portfolio than the motor market average.

Mr. Davies asked Mr. Hunt whether he regarded as a "cream account" tha class one type of insurance for social domestic and pleasure risk under the old tariff system: "the week-end motorist with a low mileage and perhaps an older car?"

Mr. Hunt replied that this was partly right.

Mr. Hunt agreed with Mr. Davies that tha philosopby they embarked upon in underwriting in 1960 and 1961 was a new approach.

Mr. Davies: "That being so, and your approach being a novel one, how did you prove to yourself in subsequent years that your rating was correct? How did you prove your claims experience matched your ratio?"

Mr. Hunt: "I think results themselves proved it."

He said their checking was basically a mannal operation in the early years and the figures quite definitely showed from physical checking, they were correct.

Mr. Davies then esked Mr. Hunt about run-off statements. "Would it be correct in thinking that what you meant by manual test of claims is a test by way of some sort of run-off?"

New form

Mr. Hunt: "Ultimately, yes. I would like to point out the position of run-offs. as mentioned in this Tribunal, is a relatively new form, and was not standard practice in 1960 in the market as I knew it."

Mr. Hunt said that in 1969-70 the type of run-off statement laid down by the Department of Trada and Industry would have been of no use whatsoever in "catching the inflationary spiral." It would have had no impact at all. No BIA member was any different from V & G at that time as far as this was concerned.

Mr. Davies: "Would you know if the Department from time to time asked V & G for run-off statements?"

Mr. Hunt: "I think they asked us twice. But they were quite aware nf the fact that it was impossible to give a run-off in the form they suggested. Wa attempted to do it on a net payment basis on a year's account. In the early stages a run-off in its present form had very little value."

Discrepancy

Mr. Hunt agreed with Mr. Davies that the estimated liability for outstanding cleims net of recoveries shown in the balance-sheet up to December 31, 1964, was £291,000, but waa later found to be £310,000.

Mr. Hunt was taken through reports submitted in March and May 1965 by Becon and Woodrow, consultant actuaries, concerning reserves and rating sides of V & G. Mr. Davies said the actuaries pointed out there was a substantial discrepancy between the company's estimate of outstanding claims at the end of the year and the results of their exercise.

The report suggested the discrepancy could be resolved by having a total count made of the claims files.

Mr. Davies: "Was sucb a count made?"

Mr. Hunt: "As far as I am concerned it was done."

Mr. Hunt said he did not disagree with the view expressed by the actuarles that a common reason for the failure of motor insurance companies was the result of inadequate provision for "outstandings."

Wrong

Mr. Devies asked whethsr there was a deliberate policy to siphon-off the better risks from tha Automobile and General Insurance Company to V & G.

Mr. Hunt said this was not so. They felt it was quite wrong to treat lorry drivers and hus drivers as bad risks just because they could not produce a no-claims bonus; but once they were proven drivers they would be brought into the V & G company becausa they were what they called "V & G material."

Mr. Hunt explained that they set up the General and Commercial company because they did not want to get this type of business involved with the V & G portfolio.

Mr. Davies esked Mr. Hunt: "Did it ever occur to you during the early years when you were making such inroads into the motor market that other companies might try to follow your example?"

He replied: "I suppose in the early stages one never gave any thought to it. But in the mid-Sixties, one was convinced it was the rational approach and that they were bound to follow. And they did."

Computer

Mr. Michael Kerr, QC, one of the members of the Tribunal, put to Mr. Hunt that between 1966 and 1968 an expert view of the under-provision was tbat it jumped by £1.2m. on one calculation and by £1.5m. on another calculation. His view was that 1967 was, in that respect, an absolutely crucial year.

Mr. Kerr asked Mr. Hunt for his opinion of wbat went wroog with outstanding claims as early as 1967.

Mr. Hunt replied that be believed, with hindsight, that in 1967 there was a certain amount of "trial and tribulation" with V & G's brand new computer. It broke down regularly.

They made strenuous efforts to get things as right as was hnmanly possible. He contected one of the leading euthorities ln the computer industry who promised V & G the computer would be right by 1969

He said it was right by 1970 and if the expert had not been involved in a serious accident it would have been right earlier.

Mr. Hunt said that 1967 was a very trying period for V & G. He maintained that any triels and tribuletions "they finisbed up with" did in fact start in 1967.

Mr. Davies asked him to recall the occasion on September 28 last year when Mr. Kershaw and Mr. Burr, the other V & G directors came to see him. By that time he had been taken ill. Said Mr. Davies "Did they show you the half year figures which showed e loss of approximately £1.8m.?"

Worried

Mr. Hunt replied that he had just come out of hospital. They came down because they were worried. They had haard that it waa going to be nine months before he could return and something bad to ba done about the continuity of managemant.

The figures were produced and his immediate reaction was that be did not believe it. "I thought the only thing to do was to have a physical check of everything."

He said the interim statement was due and their attitude was that as this was the only figure they had to go on they should not pav an interim dividend.

He agreed that he wrote to Mr. Kershaw and Mr. Burr on October 2 last year, saying he was at a complete loss to nnderstand tha figures, or believe them. He said in the letter he did not think it necessarily meant anything anyway, "but to become 17 per cent. off-course suddenly" was something be could not accept.

The letter said be felt he must asume the figures "although not correct" were the only ones available and therefore they could not pay out an interim dividend.

He suggested the only solution, although tha computer was now supposedly right. was to do a nhysical check of every outstanding claim.

The Tribunal adjourned until Monday.

£300m. outlay on hotels expected

BY JUSTIN LONG

PLANS coming forward for increasing hotel accommodation are now expected to involva a capital outley of about £300m., including Government grant and loan liability of over £51m., by early 1973. This estimate yesterday by the English Tourist Board discounts recent reports of "abandoned" botel projects.

Announcing that over £3.3m. had been paid in grants to date under the Hotel Development Incentives Scheme, the Board claimed that the take-up of grants was proceeding at a significant and encouraging pace.

"It is claar that the incentivea offered by the Board will result in an increase in accommodation in excess of the estimates made when the scheme was leuncbed three years ago," Sir Mark Henig, chairman of the Board, commented.

Sir Mark acknowledged that some projects bad been abandoned, but pointed out that that migbt simply mean that the applicant was unable to make a start before April 1. 1971—the date conditional forthe grant.

Against that, other botel projects had been notified both inside and outside the Government's incentives to the industry.

The esdmeted increase in accommodadon to be completed in the next 18 months was more than 62,000 hedrooms.

New applications for grants under the incentives scheme are now being received at the rate of about 30 a month, the Board said yesterdsy. Since the scheme was launched, nearly 2,900 application forms bad been registered. Applications rejected or withdrawn were less than 20 per cent. of that number, and currently more than 2,200 casea were being Investigated or bad already received grants.

The number of new applications bad fallen off, but that bad baen anticipated, the Board stated, and the number of claims was increasing as the projects were completed. More than £1m. had been paid in grants since April 1 this year, and 380 applicants had been paid since the schema began.

Applications in the Greater London Council area involved over 24,000 new bedrooms, with applications for grants amounting to more than £21m.

Registering

In the light of thoae heavy commitments of pnblic funds, the Board has renewed its backing for some appropriate system for registering, classifying and notifying the prices of tourist accommodation.

A study of the problem bas been put in band, and the Board plans to make recommendations to the British Tourist Authority by Easter, 1972. Provision for registration was made in the Development of Tourism Act, and the Government could be expected to look favourably on considered proposals.

PRATT WOODWORTH LEAVES WILLESDEN

Pratt Woodworth is to relocate its activities in Winchester on a new industrial estate. All operations will cease et Willesden by the end of this month and relocation at Winchester should be completed by mid-November.

4 granted bail of £195,000

TOTAL BAIL of £195,000 was allowed yesterday to four London businessmen alleged at Old Street court to have been involved in a large-scale purchase tax fraud plot. They were arrested on Thursday.

Tha men, remanded until November 26, were: Isaac Coben, 40, wbolesaler, of Hurstdane Gardens, Tottenham; Benjamin Marsh, 60, company director, of Bryan Avenue, Willesden; Louis Woolf Finesilvar, 30, wbolesale chemist, of Park Drive, Wincbmore Hill; and Richard Morris, 56, company director, of High Sheldon, Sheldon Avenue, Highgate.

Mr. Ian Mclean, the magistrate, made the surrender of their passports a condition of bail.

Coban and Finesilver were granted bail in their own recognisances of £12,500 and two sureties each of £12,500; Marsh in his own recognisance of £25,000 and two sureties eacb of £25,000; and Morris in his own recognisance of £15,000 and two sureties eech of £15,000.

They were charged that between September 15, 1968, and January 13, 1971, they conspired in Shoreditch and elsewhere with B. Marsh Wholesale, Israel Lander (deceased), and other persons unknown, to cheat and defraud the Commissioners of Customs and Excise of purchase-tax on chargeable goods sold by the company.

Maxwell decides against appeal

MR. ROBERT MAXWELL bas decided not to appeal against the interlocutory judgment of Mr. Justice Forbes in bia action against the Department of Trade and Industry and its officers, his legal advisers Lewis, Silkin and Partners said yesterday.

The statement said be was to proceed with "the speedy trial of the High Court action whicb was ordered on the application of Mr. Maxwell'a counsel."

"Speedy trial"

Mr. Maxwell feiled in bis legal challenge in the High Court at the end of lest month to halt a Department of Trade inquiry into two companies he formerly controlled, Pergamon Press and International Learning Systems.

Mr. Justice Forbes ordered a "speedy trial" of a High Conrt action wbich Mr. Maxwell is to bring against the Department and its inspectors—Mr. Owen Stable, C. and Sir Roneld Leacb, a City accountant.

The two inspectors conducting the two-year inquiry had undertaken not to deliver a report to the Department pending an appeal by Mr. Maxwell. Mr. Maxwell seeks to stop those parts of the inquiry dealing with bis own activities.

The statament issued on Mr. Maxwell'a bebalf said: "Mr. Justice Forbes took the view that the interim report on Pergamon Presa and the final report on ILSC, whicb were published lest July, fslled to comply witb tbe requirements of natural justice. and that it was probable that the trial judge would bold the reports to be void.

"Mr. Maxwell and his advisers see no reason to appeal against that judgment.

"They strongly take the view that if tbe inspectors were to deliver any furtber report before the action has been tried, it would be tainted by the failure tn follow the requiraments of natural justice wbich, in the opininn of Mr. Justice Forbes, teinted tha first reports.

"In our view, tberefore, fnr the inspectors or tbe Department to proceed as if the judgment of Mr. Justice Forbes had not heen delivered wnuld itself be wbolly unfair and contrary to tbe requirements of natural justice."

A Department of Trade spnkesman said: "No decision bas yet been made on wbetber to publish the report."

Treasury bill rate down

THE TREASURY bill rate continued its downtrend at yesterday's tender, falling 0.0472 per cent. to 4.6763 per cent. This brings the loss since Bank Rate was cut on September 2 to 1.1289 per cent. Over the four tenders since the Discount market abandoned its practice of submitting a syndicated bid, the rate has been cut by 0.1570 per cent.

The minimum accepted tender yesterday was £98.83, egainst £98.82 the previous week, and bids at this level were met as to 61 per cent.

The amount of bills on offer was cut by £20m. to £100m. and applications fell £42m. to £418m. All bills offered were allotted.

Property and housing

Community identity

BY JOE RENNISON

WHEN speculative builders take it upon themselves to create what in comparative terms can be called an instant community, a large-scale, self-contained entity which in the past would have taken many years to evolve and mature, they must come under even more scrutiny than when constructing a mere estate. The bigger the enterprise, the greater the publicity, the greater the pitfalls and the greater the condemnation if anything goes wrong. High-minded motives—apart from the profit motive—can be reduced to *folie de grandeur* and a poor return on capital. The almost evangelical fervour of the public relations handouts is subject to more than one sceptical eye.

So attempt to create what is in effect a miniature new town is a bold move—and without the benefits of those trying to do the same with official planning and Government funds. If an officially designated, Government-backed new town fails to meet the planners' dreams there is always someone else to blame—and besides the money did not belong to anyone in particular. If the private developer fails to produce Utopia he is subject to national criticisms and the prospect of irate buyers or unsold houses and unused land.

Compare

It is interesting to compare two such schemes—both of them about halfway through their development. Neither of them is perfect—but then no single community, however ancient and revered, is perfect. But both have had some success and in completely different ways. Both can learn from past mistakes, but even so seem to have suffered little. There has been an almost entirely different approach to the question of community identity. The two developments are Wates' Forestdale near Croydon and the Ideal Building Corporation (Trafalgar House Investments) new village development at Barr Hill in Cambridgeshire.

The geographical location of the two sites has been the main factor in producing two different approaches to the basic problem of providing new houses. The Forestdale development at Addington is only a few miles south of Croydon and is therefore ideal commuting territory. The bustling new commercial centre of Croydon itself with its high concentration of commerce and London provide jobs for most of the residents.

Barr Hill is a few miles north of Cambridge: here there are not the job opportunities on the London and Croydon scale and although many commute to Cambridge the village must be more reliant on its own efforts at providing jobs and other community facilities.

Forestdale is a housing complex into which a community spirit is being injected: Barr Hill is the bare bones of a new village into which new residents are being injected.

Massive

Forestdale is a large development. In total the site, when completed, will cover around 200 acres. It is, in fact, a massive housing estate. The basic problem is how to turn what could be a faceless and characterless site into an integrated community, from something of a commuter nonentity to a self-contained township interested in its own well-being and environment.

Now that it is more than half finished it is perhaps easy to say that it could not fail. Undoubtedly it must have been hard for the first people there but now it seems to be almost mature after only six years' even though it is still not finished.

The development began in 1965 although Wates had been buying up the land for a few years before that. When it is completed in 1976 it will accommodate around 7,000 people in 2,300 homes. At present just over half that number of homes have been completed. This is fairly high density and on a large scale and could easily become anonymous and unfriendly. To help overcome such a possible danger the planners have laid out the development so that residents can feel they belong on three different levels: in their own immediate close or group of houses, in the wider sense to one of the neighbourhoods into which the development is divided and lastly to the whole Forestdale area.

Individual areas are laid out in a wide variety of ways, containing a wide variety of housing intended to attract a broad selection of people of all ages and incomes. Accommodation ranges all the way from one-bedroomed flats to four-bedroomed detached houses and the prices range from £6,000 to £12,000. Each house has a clear space—either garden or close—where children can play in safety and well away from the noise and traffic of the estate roads.

One very important factor in the harmonising of such a large scheme is the intelligent use of the existing landscape and the man-made efforts to complement it. The site was, fortunately, already well-wooded and the company has done a good job of landscaping and planting. This again helps to counteract the high density and gives each householder the feeling of living in a small secluded country close. On top of this about 9 acres of the site have been preserved as a bird sanctuary and come under the control of the National Trust. Roads and pathways have been designed to separate the pedestrian and motorist and to give a safe and clear way for children to the schools and housewives to their shops.

Lacked

What Forestdale has lacked so far are the normal everyday amenities which are for most communities the focal points of social life. Education is, of course, provided but apart from that there are as yet no shops, pub, garage or community centre. They are all just around the corner in terms of time; the shops will be opened early in the new year, the pub and garage will also be completed in 1972 and the community centre a little later.

But lack of such facilities does not seem to have hampered the development of a well balanced and integrated community—at least on the smaller, neighbourhood level. Housewives I spoke to were quite happy about the way things were developing. They found no difficulty in making friends and were satisfied with their houses and environment. It would perhaps be cynical to suggest that people will make the best of things no matter what the conditions but here at least there has been a successful effort at building a new mini township.

Crofters Mead, Forestdale

Barr Hill village is completely different kettle of fish. This is an attempt to create a new small township with everything one associates with a township at the same time. At present around 800 people live there in 300 houses and over the next five years this will increase to around 5,000 people and 1,300 houses. There are already plans for a further small expansion beyond that point.

As with Forestdale, Barr Hill has been developed on the neighbourhood principle with a footpath network linking the housing with the rest of the village activities. Based on the Radburn principle, the footpaths completely separate schoolchildren and shoppers from traffic-bearing roads. Here again the best use of existing landscape has been made. Although not as well wooded as the Forestdale site, great efforts have been made in the use of existing trees, in further planting and in the provision of lawns and gardens. Each neighbourhood can develop its own mini-community without being separated from the community as a whole.

Residential

But this is a working as well as a residential community. Part of the development, about 15 acres, is earmarked for industrial activity. Already, ten firms are operating successfully in the village and it is hoped to attract more in the near future. Standard factory units are available at reasonable rents. Another area has been laid aside for possible future office development. Half of the shopping area has been completed—the rest will be finished when demand justifies it—there is a school, a pub and site work is just beginning on an inter-denominational church.

Despite all this effort to provide all the normal facilities in a small town, Barr Hill has not been without its difficulties. When the present developers took over the scheme in 1968 it was struggling. There was decided lack of interest in bu[...]ing houses in the middle [...] Cambridgeshire, despite the fa[...] that the most expensive house, [...] four bedroom bungalow, is le[...] than £8,000 even at to-day [...] price. Trafalgar House, obv[...]ously, are committed to th[...] scheme succeeding. To hav[...] pulled out half way would hav[...] been ruinous for them and f[...] the community. After a lot [...] effort it now is definitely ov[...] the hump. A motel and a go[...] course are in the pipeline a[...] from now on the scheme will [...] upgraded with more expens[...] housing and better facilities.

You can take a horse to wat[...] but you can't make it drink—[...] least not as readily in Ca[...]bridgeshire as in Surrey. Peop[...] will buy houses in what is vir[...]ally a housing estate in one, [...] not take advantage of the co[...]munity facilities in the oth[...] It will be interesting to s[...] when they have matured whi[...] is the more satisfying place [...] live. The betting should be [...] Barr Hill. Here is a self-co[...]tained integrated commun[...] planned on the best and m[...] idealistic principles. But [...] these days of the motor-car a[...] the telly it could be that th[...] just don't care.

Faulkner rounds on critics

BY JOHN GRAHAM

MR. BRIAN FAULKNER, Prime Minister of Northern Ireland and bead of the Unionist Party, strongly attacked his opponents within the party to-dey and called for unity in support of the Government.

Speaking to a special meeting of the Unionist Council, he attacked the "wreckers" within tbe party and referred to them as "a bunch of political malcontents." They were a liability to Unionism. His language was the strongest he bes yet used against those Right-wing Unionists who are constantly sniping at the Government and many of whom bave already broken away from the official party and formed a new party of their own.

The meeting of the Unionist Council was beld under severe security. Two votes wera taken, tbe first of them concerned tha integrity of the Northern Irish constitution and the intention to bring security back nnder Stormont's control as soon as possible. This went the Government's way by a margin of about three to two.

The aecond vote was on whether tha local government reforms sbould be postponed or not and ended in the astonishing result of a tie, 175 to 175. Althougb this vote came towards tbe end of the day and there were far fewer people present tban earlier, it does indicate the wide differences of opinion that exist within the Unionist Party.

Housing problem

Shortly bafore the meeting began, wreckers blew up a pump bouse at a Belfast reservoir, barely 24 bours after water rationing was introduced into the province. Part cf the Whiterock Road In Belfast was turned into a river as a million gallons of water were lost.

This piece of sabotage was not only well-timed, but hit Belfast where lt burts. The Belfast water commissioners yesterday instituted a system of rationing whereby snpplies are cut off for 12 bours a day. After one day of operation they expressed themselves satisfied with the public's response to these restrictions, but also expressed the greatest concern at the destruction of the pump bouse.

This pumping station serves four bousing estates and It is expected to be some weeks before it can be pnt beck into operation.

Despite the activa and numerous opposition to the Government by present and former Unionists, Mr. Fanlkner's position to-day eppears, if anything, to be sligbtly stronger than a waek ago. He was no doubt belped by bis barmonions talks in London yesterday and by tha extra troops which the Britisb Army bere is to get next week. Tbese will, in fect, number 1,750, rather than the 1,500 announced last nigbt, since one of the battalions will be a Marine Commando unit of 750 men.

The extra troopa will aggravate what is already e difficult accommodation problem for the army. Some of the troops bere sleep in buses or derelict buildings. The army may bave to taka over more scbools and factories for its qnarters.

There has not been mueb reection to the announcement of increased forces, althongh some people have pointed ont that while a larger security force is welcome, thare is a sense of déja vu. To increase the number of troops by a few thousand may still not restore stability and is, in any case, only part of tbe answer. There is still no sign of any political improvement in Northern Ireland.

Clyde Paper to cease newsprint production

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

CLYDE PAPER has decided to stop making newsprint at its plant at Rutherglen, near Glasgow, and to concentrate its efforts on the production of polythene coated products and ancillary equipment. About 230 employees will be made redundant over the next nine months.

The company has requested the temporary suspension of quotation for the Ordinary stock units of 25p (which have heen standing at around 8p) on both the London Stock Exchange and the Scottish Stock Exchange as well as quotation of the £1 7½ per cent. Cumulative Preference shares on the Scottish Stock Exchange.

The company, which manufactures newsprint for two of its major shareholders, the D. C. Thomson and Beaverbrook groups, has decided to halt this part of its operation because it has become increasingly unprofitable.

With the end of papermaking at Rutherglen it bas decided to move its continuing package operation to new factory premises which have been leased at Garstang, near Preston.

About 70 workers are expected to be employed at this new site, including some 20 key workers transferred from Scotland. The company will remain Scottish in registration with a Glasgow office.

Discussions are taking place with the unions over the Scottish redundancies. It is anticipated that about half tha work force will lose their jobs.

The company's paper mills at Rutherglen occupy a 48-acre site, of which more than 20 acres have buildings. Inquiries are being made concerning the possible sale of the property.

Competition on Atlantic liner fares expected

PASSENGER shipping lines received permission yesterday to compete on fares on the Atlantic route. The Atlantic Passenger Steamship Conference announced in Brussels that it would "grant to lines greater flexibility in meeting outside competition."

Mr. Richard Duffy, secretary-general of tbe conference, said be would not be surprised to see some new rates announced soon.

What could become a rate war was started wben Cunard Steamship Company withdrew from the conference. AP

Easy booking scheme to encourage theatre-going

IN AN EFFORT to encourage visits to the West End theatre, ano to reduce the level of last-minute cancellations, all the London theatre owners, with the exception of Paul Raymond, will launcb on Monday an operation to be known es the Theatre Arts Society.

Members are given cards, rather like Barclaycards, and, by quoting name and number, tickets reserved by telephone will be held until 15 minutes before the performance. Members can also pay for them by cheque.

Ian Albery, wbo bas supervised tbe scheme, believes that many potential patrons are dissuaded from attending the theatre because of the complicaed system of collecting tickets in advance. The society gets round this.

Interest rates compared

	Yield per cent.
Bank Deposits	3
Save As You Earn	11.42–12.10*
National Savings Certificates	9.365*‡
British Savings Bonds	7.88*§
National Savings Bank—Ord. Dept.	3½¶
National Savings Bank—Inv. Dept.	7½
Trustee Savings Bank—Ord. Dept.	3½¶
Trustee Savings Bank—Inv. Dept. (3 mths.' notice)	7½‖
Building Societies—Shares	7.76°*
Finance Houses—Deposit (six months' notice)	6–7½**
Local Authority Loans (five to ten years)	7–7½**
2½ per cent. Consols	8.55
3½ per cent. War Loan	8.48
20-year Government stocks	7.46††
20-year Redeemable debentures	9.34††
Industrial Ordinary sbares	3.52‡‡

* Grossed up. ‡ If beld for full term of fonr years. § If beld for full term of five years. ¶ Interest on first £600 of deposit tax free, and equivalent to 5.715 per cent. grossed np at standard rate of tax. ‖ Rate offered in general. Sme banks offer less. ° BS Association recommeoded rate. ** Small sums. †† FT-Actuaries indices, gross redemption yields. ‡‡ FT-Actuaries Industrial Group index.

Melchett to lead BSC team at world talks

Financial Times Reporter

LORD MELCHETT, chairman of the British Steel Corporation, will lead a delegation from BSC at the fifth annual meeting and conference of tbe International Iron end Steel Institute in Toronto, Canada, from to-morrow to Wednesday.

The other members of the delegation are Mr. W. F. Cartwright, deputy chairman responsible for future activities; Mr. Mark Littman, deputy chairman for international and government affairs; Lord Layton, managing director, commercial division; Mr. D. G. S. Waterstone, director, international affairs; and Mr. G. Galitzine.

Mr. Cartwright will be moderator at a discussion on Wednesday on the steel industry and its environment.

BSC has spent nearly £40m. on schemes to control pollution in the past 12 years and it plans to increase its ennual expenditure in this direction by 50 per cent. during the early 1970's.

Other issues to be discussed at the conference includa the outlook for world energy resources, including the steel industry's future needs.

TECHNOLOGY TALKS BY MINISTERS

Mr. David Price, Parliamentary Under Secretary of State for Aerospace, Department of Trada and Industry, is to have a meeting with Mr. Alastair Gillespie, Canedian Minister of State for Science and Technology, in London on Monday. It will give both Ministers an opportunity to discuss research and technological topics of mutual interest.

Overseas News

INTERNATIONAL COMPANY NEWS

Fusag again fails to Block Nestle/Ursina

By John Wicks

ZURICH, Oct. 7.

NESTLE ALIMENTANA, of Vevey, has announced that the Court of Appeal of Canton Berne has rejected a bid by Fusag, the Zurich-based shareholders' protection body Fuer Rechtsschutz in Fusionssachen, to forbid provisionally the exchange of shares foreseen in the merger of Nestlé and Ursina-Franck, the Berne foodstuffs concern. Fusag has asked for this provisional ruling pending decisions of the Appeal Court on pleas to annual decisions passed at the May 5 AGM of the Berne company, at which a large majority of shareholders voted in favour of a takeover by Nestlé.

Nestlé will now effect the share exchange as soon as the necessary 252,000 *shares of Nestlé/Unilac* are available, which should be towards the end of this year.

● MANUFACTURE FRANCAISE DES PNEUMATIQUES MICHELIN, manufacturing subsidiary of Cie Generale des Etablissements Michelin, has estimated the cost of new investment and modernisation over 1971-75 at Frs.2,050m. In a prospectus accompanying its Fr.450m. bond issue, the company made no precise sales or profits forecasts but expects turnover to grow "at a good pace," particularly in France. In 1970 it made net profit of Fr.52.3m. on turnover of Fr.2,740m. Gross investment totalled Fr.443m.

● JONES AND LAUGHLIN STEEL CORP., of Pittsburgh, will report a net loss for the third quarter this year. Since the settlement of the Steelworkers' contract, orders haven't returned to normal and are not expected to improve until inventories are lower. For last year's third quarter the company had a net loss of $333,000 on sales of $270.66m.

● NIPPON SUNHOME COMPANY, of Japan, has reached basic agreement with Procter and Gamble Company, of the U.S., to establish a joint venture to sell household detergents in Japan. New company is expected to be equally owned. Nippon Sunhome is owned equally by Dai-Ichi Kogyo Seiyaku Company, Asahi Electro Chemical Company and Mitsuwa Soap Company.

● SONATRACH — the Algerian State-owned petroleum company, signed contract with Toyo Engineering Corp. and C. Itoh and Co., for design and construction of $93m. basic plastics plant at the petrochemical port of Skida, eastern Algeria.

● AMAX (American Metal Climax) declared dividend of 35 cents per share on common stock, payable December 1 to shareholders of record November 10.

Gulf Oil seeks a stake in European nuclear reactors

BY MALCOLM RUTHERFORD

BONN, Oct. 8.

A NEW European-American nuclear grouping appears to be in the making. Gulf General Atomics Corporation, a 100 per cent. subsidiary of Gulf Oil, confirmed to-day that it is actively negotiating to take a stake in the European development of high temperature nuclear reactors. A senior spokesman for the company said that, as part of Gulf Oil's general policy, the atomics *subsidiary was holding talks with* a number of European concerns, including companies in Britain, who are engaged in the high-temperature field.

It seems more than likely, however, that Gulf's eventual partner will be the German subsidiary of Brown Boveri, whose co-operation with *Fried.* Krupp in high temperature reactors was terminated last July. A Krupp spokesman confirmed to-day that talks about selling its reactor interests to Gulf were already under way.

Krupp and Brown Boveri formerly each had a 50 per cent. share in the only Germany company building high temperature reactors, Hochtemperatur-Kernkraftwerk Gesellschaft (HKG), which already has a Government-supported contract to build a 300 megawatt reactor near Dortmund for the electricity utility VEW.

In July, Krupp suddenly announced it wanted to get out of the business of building complete reactors altogether, and to concentrate only on supplying components. Its share in HKG is being temporarily held by Brown Boveri until a new partner can be found.

Gulf is understood to have approached the Science Ministry in Bonn to ask if there would be any objection to the new partner being foreign, and to have received the answer no.

Gulf General Atomics, which has a European subsidiary in Zurich, believe that it made its own breakthrough in the high temperature field by recently receiving letters of intent for two high-temperature reactors in Philadelphia. A spokesman said to-day that these letters were the signal for the concern to try to break into Europe.

Although all sides admit that talks with other prospective partners are going on it is agreed that a Brown Boveri-Gulf tie-up is the most likely outcome.

No exemption for Norway

BRUSSELS, Oct. 8.

The Norwegians still apparently want a "permanent exemption" from the Common Agricultural Policy, according to commission officials. But the Brussels executive confirmed to-day that it considered it impossible to grant Norway's request.

Nevertheless, the commission is aware of the problems that Common Market membership would mean for Norwegian farmers. Norway has told the Six that its farm prices would fall by 30 per cent. if the Common Agricultural Policy were to be applied without special arrangements.

Commission officials said to-day that it *was* accepted that the incomes of Norwegian farmers should not be reduced as a result of Common Market entry. The commission plans to put forward proposals aimed at avoiding this in time for the next ministerial negotiating session with Norway later this month.

French Premier invited to China–no date set

BY ROBERT MAUTHNER

PARIS, Oct. 8.

M. JACQUES CHABAN-DELMAS, the French Prime Minister, and M. Valery Giscard d'Estaing, the Finance Minister, have been invited to visit China it was announced here to-day. The invitation was conveyed by Mr. *Pai Hsiang-Kuo*, the Chinese Foreign Trade Minister who heads the Chinese Government delegation currently on a visit to France.

It has not so far been officially announced whether the invitations have been accepted, but there is every reason to suppose that they will. The French Government, which has some difficulty in hiding its resentment at the fact that West Germany has replaced France as the Soviet Union's favourite West European partner, is clearly anxious to regain diplomatic initiative.

It is considered probable in Paris that if M. Chaban-Delmas goes to China, Mr. Chou-en-Lai, the Chinese Prime Minister, will accept a long-standing invitation to visit France. Indeed, Mr. Pai Hsiang-Kuo is reported to have told his French hosts that Mr. Chou would like to pay such a visit whenever the time was opportune.

Judging by the public statements made by both sides during the Chinese delegation's visit to France, which is due to end on Monday, the political atmosphere is ripe for an exchange of visits.

Uganda relates shilling to $

By Our Own Correspondent

KAMPALA, Oct. 8.

THE BANK OF UGANDA announced to-night it would no longer continue the fixed relationship between the Uganda shilling and sterling. From Monday the shilling will be related to the U.S. dollar, and other currencies, including sterling, will be quoted on the basis of current developments.

Foreign exchange dealings are now suspended until Monday. The bank states that the Uganda Government has noted the recent disruption in international payments with concern but it has decided there shall be no change in the shilling's parity as agreed *with the IMF* in 1966.

Uganda's action will increase the local cost of sterling imports which dominate Uganda's trade.

MAO RECEIVES HAILE SELASSIE

PEKING, Oct. 8.

CHAIRMAN Mao Tse-Tung, joking and in a jovial mood, met Emperor Haile Selassie of Ethiopia to-night and talked with him for almost two hours. Sources close to the Ethiopian entourage here said the 77-year-old Chinese leader looked "very well *indeed*" when he met the Emperor in Peking's Great Hall of the People.

There had been speculation abroad about his health following cancellation of the October 1 National Day parade here.

Reuter

Skilled jobs for blacks

BY OUR OWN CORRESPONDENT JOHANNESBURG, Oct. 8.

THE SOUTH African Government has decided to fly in the face of the powerful white mineworkers' union and allow mines in the Bantustans to employ Africans in skilled jobs. It has done this by granting the Atok Platinum Mine near Pietersburg an exemption from the Mines and Works Act which lays down that only whites may do blasting and other skilled mining work. The Atok mine is owned by the Anglo-Vaal group.

Leading trade unionists in Johannesburg see the move as a significant toughening of Pretoria's attitude towards the white mineworkers, even though the Government mining engineer has laid down that no white mineworker at Atok should be dismissed, and that while the Africans will be permitted to do blasting, they will not be given blasting certificates.

No accord in sight—Ian Smith

SALISBURY, Oct. 8.

RHODESIAN Premier Ian Smith to-day described as "insignificant and of little consequence" progress made last month in talks with Britain on the *settlement of* the six-year-old independence dispute. Addressing the annual Congress of his ruling Rhodesian Front Party, he said: "There are still in existence basic and major difference between us."

Mr. Smith added: "I suppose it would be correct to say that we are closer to agreement than we have ever been before, but as I have mentioned previously, the bridging of the final gap—while not impossible—is fraught with tremendous problems and grave difficulties."

He said that each time Rhodesia met the British at a summit, she was offered better terms. "If we manage to reach an agreement this time, it would be unrealistic to believe that Rhodesia's position has not strengthened and improved since the summit on board HMS Fearless.

"So I have no compunction in giving you the undertaking that your Government has no intention of deviating from our most important principle—namely that the Government of Rhodesia must be retained for all times in responsible and civilised hands."

The Prime Minister's view of settlement prospects was expected to dampen steadily rising hopes of an Anglo-Rhodesian peace that have surrounded current negotiations between London and Salisbury. Not since Rhodesia seized its Independence from Britain in November, 1965, had hopes of a settlement been so high in Rhodesia.

After the Prime Minister's speech, the congress passed two resolutions directly aimed to *promote racial segregation.*

In one the government was urged to present forthwith to parliament a draft of the property owners (protection) Bill, which would permit white residents of an area, in certain circumstances, to apply for Coloureds (mixed race) and Indians to be removed.

The second resolution urged the government to take immediate steps to reverse "the unnecessary influx of Africans into European areas."

Reuter and UPI

Ready for the week-end ceremonies—London Bridge at Lake Havasu City.

Lord Mayor and 3,000 pigeons gather to open London Bridge

BY ART GARCIA, CALIFORNIA CORRESPONDENT

THIS WEEK-END'S two-day opening ceremony for the London Bridge in the Arizona desert will have all the trappings of a Hollywood spectacle, with the Lord Mayor's parade thrown in.

There has never been anything small about the promotion of Lake Havasu City, the McCulloch Oil Corporation "instant city" 235 air miles east of Los Angeles and the new home of the London Bridge, in the seven years since the city's founding. And there never has been small thinking about cost in selling the 26-square-mile master-planned new town. A well-oiled and big budget promotion programme that has shown what mixture of imagination and money can do.

McCulloch Oil figures it has pumped $100m. into Lake Havasu City, while another $100m. has been invested by 300 other businesses now sited in the young community. The company looks for a $25m. return on its investment over 20 years. Much of that reward will be credited to London Bridge, purchased by McCulloch three years ago for just under $2.5m.

"The bridge," says McCulloch's public relations counsel, Laurence Laurie of Los Angeles, "has unified the town into something everyone there can be proud of. Where else in the world does a community of 9,000 have an attraction like this? The bridge has been an extremely valuable tool. We anticipate it will bring in several million visitors a year."

Mr. Laurie disclaims credit for the promotional success of Lake Havasu City. "Those people at McCulloch are a step ahead of us. We're dealing with great promotion-minded people. All they needed was direction."

There are two things in that direction that separate Lake Havasu City from all other desert land investment schemes in California and the American west. First, the McCulloch people from the beginning have practised a policy of "see before you buy," inviting prospective investors to visit the town and "stand on the lot you'll own." Many of the prospective buyers are flown to the desert community in McCulloch aircraft.

"The premise of Havasu has never been to buy for appreciation," explains Mr. Laurie. "The pitch has always been to see the land, then move there. They want doers to settle there, not those who live elsewhere and wait for their land to appreciate. The success of Havasu has been the ability to attract people willing to work and build."

That is why advertisements for Lake Havasu City have never featured it as a retirement community. "This is one of the most sparsely populated counties in the country," he adds.

The second feature that separates the McCulloch land project from others is water. "Everything is directed towards water. To build a desert community, you have to hook on to something, and with McCulloch it's water. You can get golf, tennis and sun at other places but at Lake Havasu you get a 45-mile-long lake," says Mr. Laurie.

Has new London Bridge been designed with a view to its being dismantled and shipped abroad in 100 years' time? John Mowlem, the contractors, replied yesterday: "We're building it to last 150 years. If they want to dismantle it then, that's their problem."

The dedication ceremonies for London Bridge will be attended by London's Lord Mayor, Sir Peter Studd and the Lady Mayoress. Also on hand will be Arizona Governor Jack Williams, and a bevy of other government, diplomatic, business and show business names, and a contingent of British officials. Local residents will wear costumes of the Elizabethan and Victorian periods.

The highlights of the two-day affair will be the formal dinner for 800 under a massive tent adjacent to the bridge. The banquet will attempt to recreate the elaborate State dinner given for King William IV and Queen Adelaide when the bridge first opened (in London) in 1831. The dinner will benefit Colorado River Indian tribes by supporting construction of a cultural centre. A smaller tent on the bridge will be the scene of cocktails and dancing.

Saturday's events will begin with an afternoon water pageant followed by the dinner, fireworks and a boat parade. Sunday begins with sunrise religious services, then a parade of 3,000, including floats and marching bands; an aerial show, another water show, and a celebrity tennis tournament, plus a carnival.

The Lord Mayor and his party will arrive in official dress at the bridge at 11 in the morning aboard an old stern wheel boat, to be greeted by Governor Williams. The bridge will formally open when a hot air balloon rises from one end and pulls a ribbon on the other side that both opens the bridge and removes the cover from a permanent plaque. That will signal the release of 30,000 helium-filled balloons and 3,000 homing pigeons as five aeroplanes fly overhead.

Then will come official speeches and a Texas-style beef barbecue for 5,000 guests. The day's ceremonies will close with sunset religious services, but the 10-week celebrations will be just beginning.

A fleet of 12 aircraft, from chartered 737 jetliners to smaller Electras, executive jets and light aircraft, are being used to transport the visitors to Havasu. It is not that Mr. Laurie and the McCulloch people did not think of hiring a giant 747 superjet—"We don't have a long enough runway," he points out.

He also notes, "It has taken more people to put on this party than it took to build the bridge in the first place."

'Insider trading' at Queensland Mines

BY OUR OWN CORRESPONDENT CANBERRA, Oct. 8.

FORMER chairman and managing director of Queensland Mines, Mr. E. R. Hudson, said to-day he had suspected insider trading by fellow directors prior to the first company statement last year on uranium reserves at the Naharlek strike in the Northern Territory.

Because of this, he said, he thought it essential to issue a statement for the protection of other shareholders. He was also conscious that a previous statement, on July 3, saying that a rich deposit had been located, was too conservative.

Mr. Hudson, now a director of Queensland Mines, was giving evidence before the Senate select committee on the securities industry.

The QM statement, made by Mr. Hudson on September 1 last year, put Naharlek reserves of uranium oxide at 55,000 tons which he had regarded as "reasonably conservative" in the circumstances, he said to-day. A report from Queensland Mines last week showed that first assay results for Naharlek reached the company 21 days *after* the September 1 statement and the latest reserves estimate for the discovery is 10,500 short tons.

Mr. Hudson told the Senate committee that on August 31 last year, after rises in QM shares, the Sydney Stock Exchange had asked him for a statement. He had asked the company's chief geologist, Dr. Emile Rod, if he could make an assessment of Naharlek, and Dr. Rod next day produced the calculation of 55,000 tons reserves.

Mr. Hudson said he had immediately dictated a statement for the Stock Exchange in Dr Rod's presence, and a board meeting that afternoon decided to issue it.

Asked whether Dr. Rod had explained the basis for his calculation of uranium oxide grades, Mr. Hudson said he had assumed the chief geologist had been in touch with the assayers by telephone.

Mr. Hudson agreed that one of his considerations in the September 1 statement had been to protect shareholders from "the buying of other directors with inside information." He said it had not been a consideration that rising share prices would have made it harder for companies associated with the broking house *of Patrick Partners to* buy *into* Queenland Mines.

Mr. Hudson wil give further evidence on Monday. Dr. Rod is also scheduled to give evidence.

Japan to shield traders from exchange losses

TOKYO, Oct. 8.

JAPAN decided to-day to take steps to protect small and medium sized industrial concerns from foreign exchange losses in export transactions.

Officials said the Government plans to guarantee a certain exchange rate from the time of a contract to shipment of the goods, three to six months later.

Foreign exchange banks, they said, will sign contracts with exporters to purchase, on shipment, export bills of small and medium concerns. The rate will be fixed at the foreign exchange market's dollar quotation on the date of conclusion of export transactions plus a 3.625 per cent. foreign exchange premium and a margin of 0.25 per cent.

At the time of shipment and purchase of the *bills*, the banks may suffer nominal foreign exchange losses but these will be transferred to the Government. AP

Reuter reports from Tokyo: Japan's powerful textile industry has made a statement declaring its determined resistance to moves towards a U.S.-Japan Government pact restricting textile exports to *the* American market. The statement was issued after Prime Minister Eisaku Sato failed in a personal bid to convince industry leaders of the need for Government pact.

Khedaffi chides Libyans

BY RICHARD JOHNS, MIDDLE EAST CORRESPONDENT

IN A remarkable address at a rally at Sahratha, Colonel Khedaffi, the Chairman of the Libyan Revolutionary Command Council, has taken to task the people as a whole for what he sees as the failure of the "revolution."

The brief initial reports of his speech, which was made on Thursday, gave his account of how he had resigned for a period of three weeks on September 11. But analysis of the whole speech shows how he castigated a large section of the population.

Colonel Khedaffi then gave an ultimatum. He said, "Either there will be a revolution and I will stay with you, or there will be no revolution and I will give up responsibility."

He had previously explained that the revolution had not progressed as he wanted. This was due not to the ruling Revolutionary Command Council, but "to many Libyans who were unable to carry out their responsibilities." He spoke of those numbering "hundreds, even thousands" who were "sick in their hearts and unable to serve the Revolution."

LABOUR PARTY CONFERENCE—FINAL DAY

Promise of more control over finance institutions

BY PHILIP RAWSTORNE

BRIGHTON, Oct. 8.

GREATER PUBLIC control over the country's financial institutions would be a high priority of the next Labour Government the party conference was told here to-day.

Mr. Tom Bradley, for the national executive, said that if there was a necessity for full-scale nationalisation the party leaders would not shrink from it. But he added: "Practical political decision taking frequently lies in an area where a distinction has to be drawn between what we would like and what is in fact possible."

Trend reversed

That line was not acceptable to delegates who, in an angry response asserted their role in party policy-making by forcing through resolutions demanding the nationalisation of all banks, insurance companies and building societies.

The conference move was part of the reaction—much of it emotional—to what Mr. Ian Mikardo, the retiring Left-wing chairman, described as the "conspiracy" of the Parliamentary leaders to take over all decision-making in the party.

Mr. Mikardo said the trend had been reversed and told delegates that much of his period of office had been spent in strengthening the NEC and Transport House against any future take-over of their powers.

But if party history is anything to go by, the next Labour election manifesto is unlikely to include such full-blooded items of nationalisation. Nor is it likely that the next Labour Government would implement them.

If anyone but Mr. Bradley—identified as a close supporter of Mr. Roy Jenkins and whose abrupt dismissal of their ideas angered many delegates—had replied to the debate to-day, it is doubtful whether the resolution would even have been passed.

Active consideration

As it was, the NEC was asked (by 3,519,000 votes to 2,104,000) to put forward proposals at next year's conference for the nationalisation of banks, insurance companies and building societies; and (by 3,316,000 to 2,316,000) to prepare a scheme that would bring motor insurance into public ownership by including it, with car tax, as an additional tax on petrol.

Mr. Bradley told the conference that these subjects were already under active and detailed consideration by specialist sub-committees of the NEC. Public ownership would be used whenever and wherever it was necessary to further the party's economic objectives, he said.

The "antiquated and unregulated" system of motor insurance met neither the needs of the insured nor of accident victims, he said. "We are coming more and more to the conclusion that the only real solution is to establish central State insurance schemes. But what form such schemes should take, how they should be administered and paid for, are all matters needing deep and expert study."

Policy guidelines

On nationalisation generally, the party had to get its priorities right—not least because of the compensation that would have to be paid to private sectors that might be taken over. "We have not yet become a confiscatory party," he said, to angry interruptions.

National executive sub-committees were working on the overall policy guidelines and on a close and detailed examination of the position of banks, merchant banks and insurance companies.

Mr. Bradley warned: "Even if these institutions were in public hands, many, if not most, of the complex problems of monetary management would still remain."

The permanent need for mechanisms to provide lending and borrowing facilities, for investment, for bridging loans and international trade meant that such arrangements would play a key part in economic policy.

"We must distinguish between pure financial aspects of their work and its economic issues concerned with investment in actual plant and machinery."

The ratio of investment to Gross National Product was too low but this did not have a lot to do with the actual structure of the finance markets.

Mr. Bradley said that the NEC was "greatly worried" about the lack of accountability of these institutions which could bring them into conflict with a Labour Government's economic policy.

The adequacy of the various tools—Bank rate, special deposits and open-market operations—by which governments exerted pressure on the system were all being examined by a special committee. This would advise either on new controls or the introduction of full-scale nationalisation.

The necessity

Government control over investment policies and pension funds might, for example, be more practical, and would certainly be less expensive, than outright nationalisation in this "complex and complicated" field.

Mr. Bradley added: "We shall not shrink from recommending such a public ownership proposal if our current studies reveal the necessity for it."

MACLEOD LP AT TORY CONFERENCE

Extracts from speeches and broadcasts made by the late Iain Macleod, who was Chancellor of the Exchequer immediately following the 1970 General Election, have been made into a long-playing record.

Net proceeds from the sales of the record will go to the Crisis at Christmas Appeal on behalf of the homeless. Mr. Macleod was a founder and one of the sponsors of the appeal. The record will be available at the Conservative Party Conference in Brighton next week.

23% more Caledonian passengers

By Michael Donne, Aerospace Correspondent

DURING THE first six months of this year, British Caledonian, the "second force" airline, carried 23 per cent. more passengers than did its two predecessors (Caledonian and British United) in the comparable period of 1970.

Between January and June, 1971, the airline carried over 1m. passengers and 10,750 short tons of freight. Both scheduled and non-scheduled services showed an increase, with passenger-miles flown rising by 21 per cent.

Mr. Adam Thomson, chairman and managing director, says: "The most encouraging and significant aspect of these figures is that the increases are across the board."

More donations to Tories

By Richard Evans

DONATIONS to the Conservative Party's central funds shot up to over £1.5m. in election year, compared with £669,689 the previous year, according to the party's Income and Expenditure Account published to-day.

The joint treasurers, Lord Chelmer and Sir Tatton Brinton claim that the substantial increase in donations for the year ending March 31, 1971, was due to "the determination of our supporters to ensure that lack of funds did not handicap the party in winning the General Election."

Total spending for the year at £1.67m. was nearly £315,000 higher than the previous year. The greatest part of the increase was attributable to election campaign costs.

There was a surplus of £192,078 on the year, against a deficit of more than £350,000. Cash and invested reserves on March 31 amounted to £2.05m. compared with £1.73m. a year earlier.

Concorde plea from Tory MP

A CONSERVATIVE MP yesterday accused the Government of "fiddling around" over the future of Concorde. Mr. Robert Adley, MP for Bristol North East, where many of the Concorde workers live, said at Bristol that he was again taking up the plight of small companies throughout the country whose future depended on a Concorde decision.

"I am writing to Mr. John Davies, Secretary for Trade and Industry, pointing out that while the Government is fiddling around, Rome, in the shape of small companies, is quietly burning to death," Mr. Adley said.

"The Government is concentrating on the Common Market issue, but for some of us there are issues of equal importance, and Concorde is one of them," he added.

ANNUAL STATEMENTS—Continued

JACKSONS BOURNE END LIMITED

IMPROVEMENT AFTER REORGANISATION

The Eightieth Annual General Meeting of Jacksons Bourne End Limited was held on 5th October at Bourne End, Buckinghamshire. The following is an extract from the circulated statement of the Chairman Mr. T. D. Walker, B.E., F.C.A.

This is my first statement to the shareholders since I was appointed chairman in October last and it is disappointing that I has to deal with a period during which the difficulty of trading conditions produced an adverse result and where efforts have, of necessity, had to be directed more towards the restoration of stability than to achievement and growth. I would however like to express appreciation of the work that has been put in by staff and operatives in circumstances which have been anything but easy. It has been necessary to adopt and accept a number of changes at differing levels and it is appropriate to record the company's thanks for what has been done towards this end.

It will be seen from the accounts that the company incurred a trading loss for the year of £34,784 which has been partially offset by special receipts less expenditure and by tax recoverable to produce an overall loss of £11,995. This has been absorbed by the company's accumulated reserves and it is also proposed to pay a nominal dividend of 3 per cent. for the year from these reserves.

At the half year it was reported that profits were much reduced and prospects were unpromising and it was not possible to avoid the pressure of events during the second half which arose from a number of causes. The escalation of costs in the latter part of the year was acute. Limited increases in selling prices were made at the end of 1970 but it became evident that what was practical in this direction was not enough overall to swing performance from loss to profit. In the early months of 1971 it was therefore necessary to redeploy the resources of the Group, in particular in the board mill, so as to concentrate on its effective capacity. It is estimated that in spite of a substantial reduction in the labour force the Group is able to cope with a full order book when this is rationalised by concentration on lines which are at the end of the production cycle shown to be profitable both by reference to more efficient manufacturing costs and to a corresponding reduction in overheads.

This reorganisation has made it possible to operate at a profit even at a lower overall rate of production and sales than was previously envisaged.

Shareholders will expect me to say something about prospects in the periods that lie ahead. The company has been through a very difficult period but possibly the more important aspect is in the future rather than the past. It is indeed a matter which constantly claims your board's attention. I am able to say that the steps taken to restore stability have had their effect.

In general it has been possible in the current year to balance the conflicting factors involved to a point where I am able to report that the company has traded at a profit in the first four months. It is too early to say whether this will be maintained and developed to show a reasonable return on capital employed. It is largely a question whether cost inflation can be contained within the margins of available prices but it is reasonable to expect some progress, at least on a modest scale. We shall be able to report more positively when the half year's statement is published.

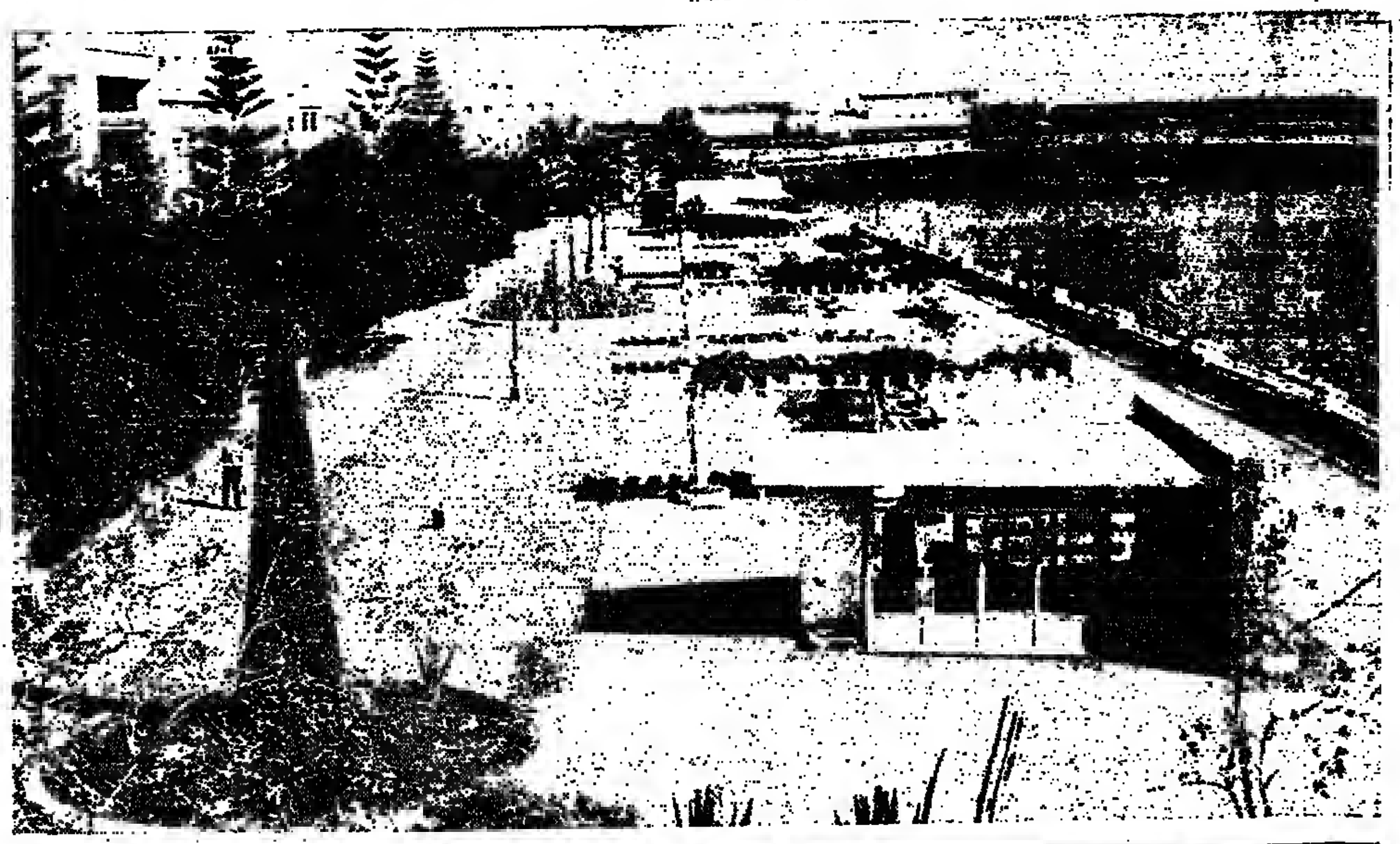
Over and above the preoccupations of trading the board has been carrying out a survey of all assets which may be available for development outside the requirements of the Group's trade. There is peripheral land at Bourne End and Syston of which the value should properly be made available for the company's profitable use. It is evident that there is scope for realisation and redeployment of funds which is being actively pursued. It has to be faced, however, that there are a number of problems to be solved regarding planning and official restrictions before it is possible to indicate to what extent a potential increase in value may be available to the company.

RUBBER OUTPUTS

Company	Avg. yld. per ma-ture acre ‡	Aug. crop 1971	Total to date (m'nths)	Pre-vious totals	Yld per lb on crop =% on cap'l
	lbs.	'000 lbs.	'000 lbs.	'000 lbs.	
[illegible]dwall	1,206	471	5,777 (8)	5,010	5.9
[illegible]kit Mert.	1,023	[illegible]	1,734 (2)	[illegible]	3.6
[illegible]	905	[illegible]	1,047 (2)	975	7.3
[illegible]ms	1,133	144	934 (8)	994	6.7
[illegible]	810	[illegible]	1,477 (8)	1,516	3.5
[illegible] Devlp.	1,073	[illegible]	[illegible] (12)	9,371	15.1
[illegible]ak	1,257	315	2,370 (8)	2,139	5.7
[illegible]	1,000	2,534	7,828 (3)	6,867	2.9
[illegible]	1,735	14,119	96,100 (8)	91,904	4.1
[illegible]hlands	1,085	2,611	21,255 (8)	19,428	2.4
[illegible]wood	816	148	1,100 (7)	1,030	7.4
[illegible]kong	703	64	563 (8)	627	6.7
Igalkande	825	74	342 (5)	445	6.4
Killinghall	810	64	139 (2)	161	3.5
Kuala-Kem.	1,095	277	277 (1)	261	11.9
Kuala-Sel.	855	137	1,063 (8)	891	7.2
Kulim	—	602	4,581 (8)	4,312	—
Lon. Asiatic	1,100	3,784	27,179 (8)	34,619	6.6
Lon. S'matra	834	247	1,563 (8)	1,699	7.0
Malakoff	1,097	1,225	8,359 (8)	7,990	†9.2
Malayalam	1,120	1,277	6,305 (5)	6,722	2.0
Muar River	764	804	3,890 (5)	3,661	4.5
Narb'rough	1,310	107	227 (2)	—	6.2
Pataling	1,058	2,725	25,016 (10)	23,662	6.3
Plant Hldgs	1,097	1,944	13,665 (2)	12,495	4.4
Riverview	1,533	265	1,176 (6)	[illegible]	5.4
Sagga	1,180	152	152 (1)	167	6.1
[illegible] Am.	1,185	3,643	37,419 (11)	36,211	*6.3
Sogomana	1,106	500	3,544 (8)	3,206	6.2
Sung Krian	943	236	1,259 (5)	1,547	5.7
Talping	1,158	283	2,552 (11)	2,366	4.2
Warren Rbr	1,066	500	4,973 (11)	4,577	6.4
Windsor	1,056	116	809 (8)	763	5.1

Δ Estimated yield. † Debs. and/or Prefs. in issue. ‡ Based on last annual crops. * These companies have an interest in other commodities.

WINTER SUNSHINE



Las Palmas in the Canary Islands.

Variety of choice can prove quite baffling

BY ARTHUR SANDLES

It is hardly a secret that the travel industry is putting a great many eggs into the winter sunshine basket this year. It has been encouraged by the lengthening of holidays, and by the pressure of its own economics, which insist on assets being utilised fully throughout the year. The £10 week-end hit the headlines in the spring but this was simply the much publicised tip of a large iceberg. Winter sunshine is now a much sought after and much marketed commodity. For the consumer, however, the search for that winter warmth is something that requires some thought and perhaps a long look at the glittering package around the offering.

Certainly the choice available to the holidaymaker is baffling in both destination and price range. Inexpensive trips to the Mediterranean for a couple of days (from little more than £9, ignoring the £1 promotional tours launched by Horizon subsidiary 4S) start a scale which runs up to long sunshine seeking trips to Asia, South Africa and the Pacific.

Direct costs

The reasons behind the fascinatingly cheap Spanish winter holidays are simple industrial economics. The tour operators concerned have paid for long term charters of aircraft and lengthy reservations of hotel beds. It is better for them to put these to use, even at rates which only cover direct costs such as fuel and food, than to have them empty. This winter the Department of Trade and Industry has removed the regulation which places a minimum rate on package tours (enforced to protect scheduled airlines against cut-throat competition). This experiment has been extended to the winter of 1972-1973 so we will have at least two years of the cheap Spanish week-end. Most of the big operators are offering them including Sunair, 4S, Thomson and Clarksons.

Weather advice

It is worth noting, however, that Spain is not a tropical country and the sun is not burning hot in January. There are marked variations in winter temperatures from region to region. Madrid has very cold winters at times and the warmest part of Spain normally is the Costa Blanca—the airport is Alicante and the biggest resort, Benidorm. The British Meteorological Office is very helpful in giving weather advice and this is useful since few brochures list the rainfall to be expected.

Personally I think that time spent poring over books and making a few telephone inquiries about the weather in a resort area at a particular time of year is worth as much if not more than the time spent looking at brochures. This is particularly so for the relatively short haul holidays. There are marked differences in the weather on individual stretches of the Riviera and from island to island around Greece. But it is in the Mediterranean that the holiday bargains are to be found over the coming months.

However, even at longer distance the cost of travel is gradually falling. This is happening at a time when the hopefully temporary recession in the American economy is provoking many resorts to turn their attention to the British customer. This is particularly true of the Caribbean and central America. After having relied upon the flood of custom from a chilly U.S. immediately after Christmas for so long the resort islands of the West Indies are beginning to think they should have some insurance in the form of custom from the U.K. and mainland Europe. Already this is producing some interesting packages and promotional fares.

For the independent traveller, of course, long haul has other attractions. The stop-over and changed route facilities on an independent ticket give the holidaymaker the opportunity to move somewhere else if the weather is wrong or if a resort proves not what was expected.

Certainly the additional fare cost can be seen as an insurance against bad weather. There is a much stronger guarantee of sunshine from a trip to Jamaica or South Africa than there is to Spain in January or February. In terms of cost the following list gives some indication of what to expect from a resort area: it is a very rough guide and there will be both cheaper and dearer ways of visiting a destination. The prices include tourist class travel and two weeks in a hotel of reasonable quality, double room with bath, offering at least breakfast and dinner inclusive. Departures in January or February.

Majorca	£45
Costa Blanca	£45
Tunisia	£55
Las Palmas	£120
The Algarve	£75
Malta	£90
Cyprus	£120
Corfu	£70
Kenya	£190
South Africa	£260
Bermuda	£240
Nassau	£250
Jamaica	£320

It is well worth shopping around for a holiday since there are often marked differences in the price of trips offered by travel agents and tour operators who are offering virtually the same thing.

Probably around 1m. people will take winter holidays from Britain this year and the vast majority of them will be heading for the sunshine rather than the snow. Inevitably the favourite destination will be Spain, largely because of the basic price involved thanks to the heavy use of charter aircraft and block-booked hotels but also because of the still relatively low cost of extras such as drinks. Sometimes the price of these can come as a nasty shock, even if it is explained that the measures are appreciably larger than within the U.K.

Tour operators

Spain has also been emphasised by the way in which British tour operators have used the winter period almost as a promotional effort. This was certainly the case with 4S which offered, with several strings, short week-ends for £1 upwards. The company admitted that the tours would cost it around £7,000 to run but suggested that the publicity was worth it.

Although there are one or two charters running to longer distance parts we have not quite reached that level. Anyway, charters are not everyone's cup of tea. Anyone who has sat on a suitcase in some steaming airport waiting for a charter flight and watched the scheduled jets flying out knows that there is something to be said for paying a few extra pounds. And it is not always more expensive to be independent. Careful study of airline rates can produce some surprises, particularly since the mark-up on long haul traffic tends to be higher proportionately than on short-haul.

One of the attractions of winter holidays is the way in which resorts, carriers and operators have been tempted into special attractions. Most notable of these, of course, are the golfing holidays which are featured in the lists of many operators. Particularly attractive for this sport are areas such as the Costa del Sol, where Marbella makes a good base, the Algarve (there is an excellent hotel at Val de Lobo not far from Faro airport), Bermuda, the Bahamas (away from it all perhaps at the delights of Treasure Cay, which combines excellent golf with one of the pleasantest hotels in the islands).

Bit more

For those with a taste for deep sea fishing the Caribbean is once again incredibly well equipped and, provided enough similarly minded enthusiasts can be gathered to make a collective charter, the rates for taking a suitable boat out are not necessarily prohibitive.

Africa is an obvious destination for anyone who wants to do a bit more than lie in the sun. One of the most magical evenings of my life was spent in the depths of the Kenyan bush in the Ark, a luxury game-watching lodge, where the artificial moon and carefully distributed salt tempt assorted animals to a water hole beside the building.

All in all it is the very variety of choice that is the most difficult part of choosing a holiday in the sun this winter. And as the evenings draw in and the night air starts to develop a chill the thought of some sunshine in what would otherwise be an uncomfortably cold January is very tempting indeed.

GOLF HOLIDAYS IN SPAIN AND PORTUGAL

A haven for the holiday hacker

BY BEN WRIGHT

It has always been the proud boast of those concerned with promoting the area that Southport is the golf centre of Europe. With some of the finest and most rugged links courses in Britain within its boundaries this is no idle claim to fame. But while such famous courses as Royal Birkdale, Hillside, Southport and Ainsdale and the like are the kind of holiday challenges likely to be relished by the scratch and single figure handicap golfer they are not for the beginner or the minimally talented hordes currently boosting the extraordinary boom in world golf.

For the boliday making backer almost guaranteed sunshine, certainly guaranteed good and cheap food and wine and licensing bours that do not make a misery of his stay and ruin his digestion are more important than the opportunity to pit his skills against golf courses that on occasion have cruelly mocked the world's best professionals.

So with due deference to Southport, a charming memorial to Victoriana, I would suggest that the new golf capital of Europe has moved south to the Mediterranean shores of southern Spain or the peerless beaches of Portugal's Algarve coast, whichever is preferred by the individual visitor.

Little doubt

Having enjoyed wide experience of both locations I bave to profess a preference for Portugal, if only because Jumbo jets full of American golfers have yet to over-run the Algarve to the same extent as they have colonised Spain's glorious Costa del Sol courses. In the latter area the consequent rise in prices towards the American norm has heen alarming in recent years. In Portugal the similar trend gives causa for alarm, but as yet rather less so. There is little doubt that now is the time to visit either locality, however.

Warm winter sunshine and golf in shirt-sleeves while nne's friends and business colleagues wait for an often rainswept Sunday outing at home is most golfers' idea of Heaven. And to wait on every shot while an American four-ball in front thinks nothing of taking five bours to complete a so-called friendly 18 boles of golf—actually more like a war of attrition—is very mnch more tolerable with a warm sun on one's back. In all seriousness I bave found the hest way of avoiding these funereal and infuriating American parties is to play through the lunch hour like the true Englishman immortalised by Nöel Coward—but not in high summer.

In my experience the Travel Club of Upminster, who really pioneered golfing holidays on the Algarve, continue to prodnce the best value there in package deals or otherwise, their prices including a hired car and transport by scheduled airline flights being nothing short of miraculous—without any sort of catch or drawback. But BEA also do a thoroughly competent job with golf holidays throughout Europe, linking their scheduled flights with their fleet of FlyDrive cars.

Perhaps the most revolntionary and worthwhile recent innovation in golfing bolidays in Europe is Eurogolf, a sort of club for travellers demanding an annual subscription. In return the intrepid golfing holiday maker gets a membership card with real advantages such as VIP treatment on arrival at European golf clubs, a type of good food and golf guide whicb is really informative, many substantial concessions for cash or cheque in hotels, restaurants, golf and night clubs, 10 per cent. reductions in hire car fees, and other fringe benefits. Such a service can only be improved as membership increases.

Luxury hotel

Of the three courses on the Algarve two, Penina and Vale do Lobo are designed by Henry Cotton, wbo presides at the former, and Vilamoura is the brainchild of Frank Pennink. The disadvantage of the latter is that it is not as yet blessed with an on the spot luxury hotel, wbereas the Penina Golf Hotel is one of the finest in Europe, a magnificent modern edifice containing 210 rooms and suites towering over the best heated outdoor swimming pool I have ever enjoyed. The first and tenth tees, ninth and 18th greens are all only a stone's throw from the hotel.

The course stretches to 7,450 yards, which is monstrous, but off the most forward of four tees it is perhaps the easiest of the three courses for the rabbit or elderly golfer to walk, because Penina was built on converted paddy fields, and is quite flat. There is an abundance of water hazards, however, as one might expect. I remember with great affection a week spent in this magnificent place in March, swimming in the cool air soon after dawn, tbe steam rising through the sunlight in a wispy cloud off the surface of the water. Followed by breakfast and a day's golf, I cannot think of a better schedule for the golfing holiday maker.

Deep inlets

While Penina is set two and a half miles inland Vale do Lobo is set right on the attractive coastline. The short sevanth hole, involving a carry over two deep inlets in the high sandstone cliffs, has already been widely and wisely used in advertisements extolling the virtues of golf holidays in the area. The course meanders through rolling hills with inland fairways lined by pine, olive and orange trees, and also offers the cliffside and beach boles with their great views. Alongside the eighth fairway is set another very good international hotel, the Trust Houses' Dona Filipa, containing 130 lovely rooms and suites, and like Penina everything else expected of a luxury holiday venue.

This development and nearhy Vilamoura are within balf an hour's drive of Faro International Airport, more easily accessible than Penina. Vilamoura is reminiscent of some of the best Surrey conrses, set as It is in a vast acreage of umhrella pines. There was a change of ownership recently and it now belongs to Golf Course Inns International, an American concern whose future plans apparently include a further 18 holes. Vilamoura suffers from the lack of a hotel, but the villas around the club are superb.

Estoril Golf Club, set behind the bigh class resort near Lisbon, is the oldest course in Portugal, and perbaps the ideal boliday venue for the not too serious golfer, in that it is less than 6,000 yards long, and has many good hotels within walking distance. The night life here, with the magnificent casino the centrepiece, caters for most needs, with a selection of superb seafood restaurants at the nearby village of Cascais. Here one can attend the fascinating fish auctions wben the boats return to port in early evening, before walking on down the street to choose a restaurant.

Desplte its lack of length Estoril is a delightful and in parts very tight course as I know to my cost. In a hilarious to recall but painful to suffer experience, I once hit six balls out of bounds at the 275 yards long 13th hole in a half gale during the Portuguese Open Championship. On blushingly describing the incident on returning to the clubhouse I heard to my unashamed delight that two top class Spanish professionals, Sebastian Miguel and Ramon Sota had beaten my total on previous occasions in the same event. Apart from its two par fives Estoril bas only two par fours measuring over 400 yards in length.

On Spain's Costa del Sol there are four courses within 30 miles, eacb with marvellously luxurious hotels nearby. Nearest to the Rock of Gibraltar 12 miles away is Sotogrande, in my view the finest creation in Europe of the controversial American arcbitect Robert Trent Jones, whicb is part of a very expenslve development with views across the Mediterranean to the Atlas mountains. I thougbt the Pencross Bent greena at Sotogrande were the best I had ever putted upon, particularly in view of the hot climate, until I saw another Trent Jones course, Nueva Andalucia along the coast at Marbella.

Holiday complex

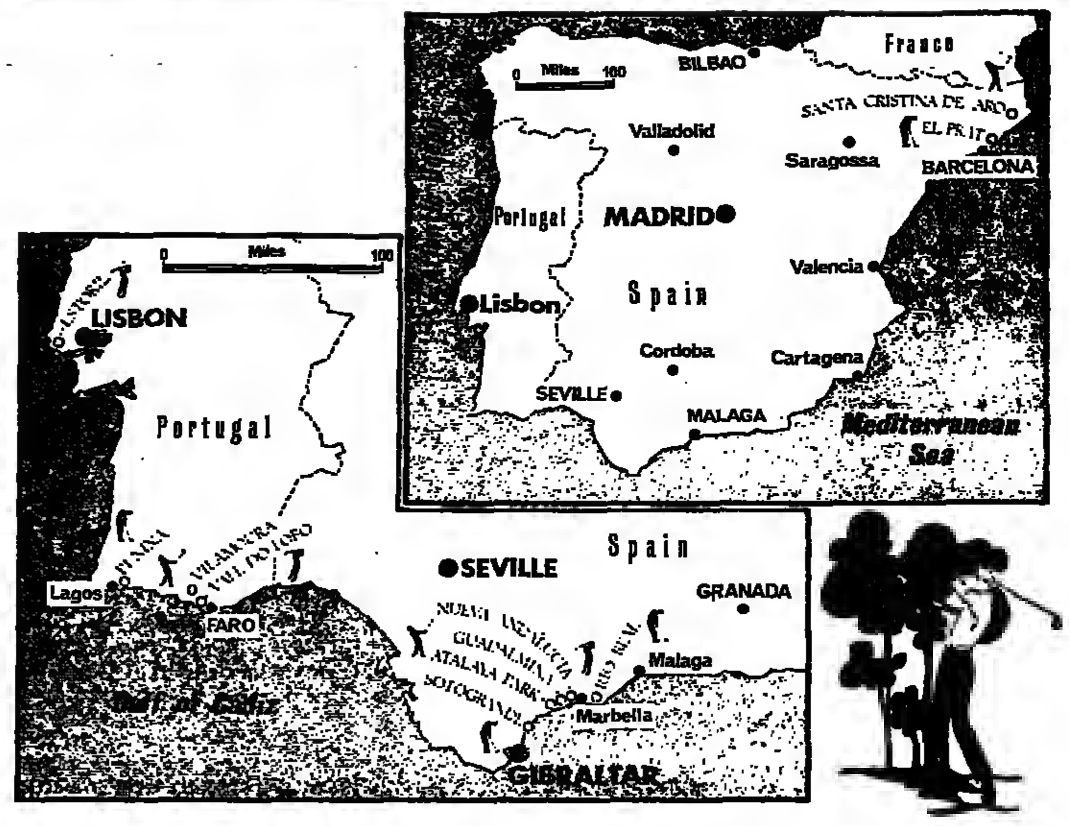
Nueva Andalucia is part of an enormous estate created hy the Spaniard Jose Banus to embrace a complete residential and holiday complex. This includes everything from supermarkets and a yacht marine to a full sized bullring seating 12,000 people. Not the least charmiog of the fine golfing facilities is a superb 18 boles par three course for those wbo tire of the problems posed by the huge, fiercely undulating greens on the championship layout.

Nearby Atalaya Park, laid out by the German architect Dr. Bernard von Limburger, adjoins the luxurious hotel of the same name. Both are delightful. But my own personal favourite in this area is Guadalmina, the oldest of the quartet, through which meanders the Guadalmina river to the sea. The course is blessed with a profusion of giant eucalyptus trees, and in the fabulous Golf Hotel one can almost fall out of bed on to the first tee.

Rio Real, the other course in the area, also involves frequent sparring witb a river of that name that similarly intrudes on six boles on its way from the mountains behind to the Mediterranean. Los Monteros is the wonderful hotel associated with the golf course, and the catering both here and in the thatched clubhouse at Rio Real cannot be faulted.

Same area

Barcelona is not everyone's idea of a holiday resort, but for the true golf enthusiast the El Prat Golf Club there is one of tbe six best in the whole of Europe, hlessed as it is witb 27 high class golf holes set amongst pioes and palms hard by the sea deslgned hy a Spaniard Javier Arana. In much the same area at S'Agaro on the Costa Brava is one of the only six five-star hotels in Spain, the Hostal de la Gavina, with the golf course at Santa Cristioa de Aro only a quarter of an hour's drive away amongst the hills. The hotel is furnisbed throughout with priceless antiques and provides the ultimate in luxury and the finest food imaginable. The golf course was not ready when I saw it last more than a year ago, but promised to he a beautiful one in a secluded setting in rugged country. The clubhouse, an 18th century Catalonian farmhouse, retains all its charm and character while offering all the modern amenities so seldom found in British golf clubs. No wonder one rubs shoulders with so many British golfers throughout the Iberian peninsula—most of our clubs are a disgrace in comparison—and as for the hotels . . .




Nueva Andalucia, one of the most popular courses in Spain.


Vilamoura, one of the main courses on the Algarve in Portugal.

THE FINANCIAL TIMES

(Established 1888)

Incorporating THE FINANCIAL NEWS

(Established 1884)

Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.

Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London

Telex: 886341/2, 883897

FOR SHARE INDEX AND BUSINESS NEWS SUMMARY RING: 01-246 8026

Birmingham: George House, George Road 021-454 0922
Leeds: District Bank Chambers, Park Row 0532 24940
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236 56-58
Bonn: Pressehaus 11/222 Heussallee 2-10 222596
Frankfurt: 6 Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (sales)
Brussels: 18/22 Rue du Commerce 136562
Rome: Via della Mercede 55 681 314
New York: 99 Wall Street, NY 10005 Editorial—212 943 5257/8 Circulation—212 972 9883 Advertising—212 MU8 7550
Washington: Second Floor, 1325 E. Street, N.W., Washington D.C. 202 347 8676
Toronto: 5 Ont., 6 Charles St. E. 368 7851
Jo'burg: 801/6 S.A.B.S. House, 80 Commissioner Street P.O. Box 2728 838-5836
Sydney: c/o News Ltd., 22 Holt St. 211 1171 13 0924

SATURDAY OCTOBER 9 1971

The pace of recovery

THE long-awaited first signs of economic recovery have now begun to appear. But as in the U.S., they have been disappointingly slow to arrive; and from the point of view of public policy there are two very embarrassing time lags: there is one long interval between the application of an official stimulus and the upturn of the economy, and another interval before that upturn begins to have a real impact on the unemployment figures. It is already too late to do much about the position this winter; and whether or not the dreaded headline of "A Million Unemployed" appears depends much more on the accident of the weather than on any action of Government policy.

More credit

The clearest sign so far of recovery has been in hire purchase and other instalment credit. New credit extended rose by over one third in August compared with the second quarter of the year on a seasonally adjusted basis largely as a result of the lifting of controls. Such credit sales to consumers are, of course, only a small part of total economic activity; but a wider basis for optimism is provided by the CBI Industrial Trends Survey. This does not yet show any upturn in new orders; but it does show a large balance of respondents expecting such an upturn in the next few months—too large a balance to be accounted for by the natural over-optimism of businessmen about their own individual prospects. Fixed investment, which is always the last item to recover, is still going down; but the rate of decline is substantially less than indicated in the June survey, and there is also a shift towards optimism in the general business mood.

The early stage of the recovery is indicated by the large number of firms working below capacity, indeed slightly more than in June. The Financial Times Industrial Ordinary Share Index is now about half way between the low point of last winter and the all time peak of 1968. The recovery has clearly a great deal further to go. But both the tax cuts in the April Budget and the extra reliefs provided in July have only just begun to affect the economy. When stockbuilding shifts from its depressed rate to a more normal level, this in turn will add a further boost to total demand. It looks, too, as if exports, which had previously been stagnating in volume, have now begun to rise as well, even though the CBI survey shows an increase in anxiety about the effects of "political and economic conditions abroad." Company profits have already recovered much more than is apparent from figures so far published. This is one reason why the Treasury was ready to welcome the CBI initiative on prices.

Nevertheless, in the face of high and rising unemployment figures the Government will come under very great temptation to administer yet a further stimulus to purchasing power. Yet such further action could lead to the worst of both worlds; it could add to the risks of boom and overheating in the home market by the time we join the EEC, yet have very little effect on this winter's unemployment. The requirement now is not for a further general increase in spending, but for measures which are concentrated in the regions where the really large pools of unemployment are, and which put a more imaginative effort into retraining workers whose traditional skills have become obsolete. It is unfortunate that reforms in taxation and investment incentives have, as the Government is aware, had the unintended effect of reducing the differential in favour of the Development Areas, just when this differential is most required.

Open question

But the problem is not only a matter of regional and retraining policy. It is an open question whether the economy will ever be able to get back to the very low levels of unemployment which characterised the 1950s and early 1960s. Due to more generous redundancy and unemployment pay, a given state of the labour market is associated with more unemployment than it was before. But unfortunately even this is not the full story. On both sides of the Atlantic the trade unions are exercising their monopoly bargaining power more strongly than before and are discounting price inflation in advance.

Neither the U.S. nor the U.K. has found an effective way of coping with this monopoly power; but to fail to do so could mean the choice between a politically intolerable level of unemployment and runaway inflation. The U.S. is now experiencing a wage-price freeze, which has worked better than previously expected, and is soon to shift to a phase of looser control, which—if British experience is anything to go by—will be eroded by events. Both countries will have to continue to grope for a solution which will be far from easy to find.

Hard on the heels of the crucial bargain struck earlier this year with the producer countries of OPEC comes an even greater challenge to the oil companies' diplomacy—OPEC's demand for a share in actual production. **Adrian Hamilton** sets the scene for the talks later this month

OIL — the next confrontation

BARELY four months after the completion of one of the most arduous and hard-fought series of oil negotiations in their history, the oil companies are once again faced with another, and potentially even more explosive, round of demands from the producing countries of OPEC (Organisation of Petroleum Exporting Countries). This time the call is for participation—for a share not only in the profits, but also the management and operation of oil company activities in the major producing areas of the Middle East and Africa.

In a resolution published this week in Vienna, the Organisation has formally called on its members to "take immediate steps towards the implementation of effective participation" and threatened "concerted action" if negotiations fail to achieve the ambition peaceably. At the same time, the producing countries have urged action on the thorny question of the present currency situation, calling for early negotiations to ensure that the fall in the value of the dollar is compensated for by higher dollar oil revenues.

Just how far the individual producer countries are prepared to go in pursuit of these aims will not become clear until negotiations get under way later in the month. But both the stock market and the oil companies are already in a state of tense anticipation as to the outcome. The issue of participation in particular raises far-reaching questions of principle and economics which could well prove far more difficult to solve than OPEC's previous demands, so dramatically settled at Tehran and Tripoli earlier this year.

Tackling the structure

Where the bargaining on those occasions largely concerned revenue and prices, the latest OPEC move directly tackles the whole structure of the industry and the role of the international companies within it. Although state control has already been achieved to varying degrees in countries such as Venezuela, Algeria and Indonesia, the great majority of oil production outside America still comes from concession terms signed in the industry's early days in the Gulf.

The producing countries have progressively increased their share of revenues by raising posted prices and tax rates, but they have not for the most part made any radical alteration to the major international companies' exclusive control over exploration, production and export within the host territories. As profits at the marketing end have fallen, the companies have come to rely on the producing end both for a major proportion of their integrated profit (partly for tax reasons). The host countries, for their part, have relied on the companies to find outlets for their crude oil and to pay high taxation dues on the product.

Participation, with its implication of ultimate state control of oil production, threatens this interdependence and, with it, the whole position of the integrated oil company that finds the oil, takes it to market and there refines and sells the petroleum products.

This alone may be enough to set some companies against the OPEC move from the start as a violation of contract terms. But for much of the industry, the issue will be less clear-cut and the response more cautious. Most of the bigger companies have signed a number of production-sharing or partnership agreements with state oil concerns in the past ten years and most of the majors, at least, probably recognise that the traditional system will inevitably have to be changed to meet conditions in the 1970s. A move towards greater state participation, they argue, can be negotiated over the long term without seriously upsetting either supplies or prices over the medium term.

The worries of the companies

What particularly worries them about the present situation is the actual ways and means by which developments are forced upon them. They fear the possibility that negotiations over what is a highly complex and delicate issue might take place once again under the threat of deadlines and reprisals. They are deeply concerned that the moves might upset their precarious profit situation and, above all, they are determined that the new negotiations should not upset the five-year price and supply stability so laboriously achieved in the Tehran and Tripoli settlements.

During the negotiations in spring, the consumer and producer countries were very nearly brought into direct conflict, and it was only after the oil companies were assured that they would have a period of calm and secure supplies that they agreed to pay the heavy price increases demanded by OPEC countries. Any threat to this stability in the forthcoming discussions would leave the industry in a situation where it would be difficult for the companies to back down and destroy the groundwork so carefully established at Tehran and Tripoli.

A particular bone of contention, therefore is likely to be the terms of compensation offered for participation. In the detailed preliminary studies of the Ministerial Committee of OPEC, set up to consider the question in Beirut last month, the Organisation moved from a plan to buy into the equity of local producing companies to a simplified programme of setting up new producing companies, in which the hosts would buy a minimum 20 per cent. share on the basis of net book value of the assets.

While this avoids all the problems of working out equity of subsidiaries whose structure varies widely from company to company, it greatly undervalues the worth of the production to the parent companies. The net book value of the Kuwait Oil Company (owned equally by BP and Gulf), for instance, is in the region of $250m. against a total present production of 137.4m. metric tons a year. At this figure, a 20 per cent. share would not cost the Kuwait Government much, but would hardly be acceptable to BP which has recently been reported as negotiating a deal to sell Deminex a 20 per cent. share in its stake in offshore Abu Dhabi, worth about 7-8m. tons a year, at a price of $150-200m.

The companies will undoubtedly argue strongly for compensation which takes some account of expected profits, possibly on the basis of projected discounted cash flow such as was used by the Algerians in their nationalisation settlements of this year. Yet the producing countries' ability to pay on these terms, even out of future oil revenues, is restricted by their needs for capital for other domestic economic developments.

THE MAJORS AND OPEC (MILLION METRIC TONS PER ANNUM)

	BP	SHELL	MOBIL	GULF	TEXACO	ESSO	CFP	SOCAL
IRAN	67·7	23·7	11·8	10·5	10·3	11·8	10	11·8
SAUDI ARABIA			17·7		53	53		53
KUWAIT	56·8			80·5				
ABU DHABI	13·6	4·8	2·4			2·4	9·2	
QATAR	2·1	10	1			1	2·1	
IRAQ	18	18	9			9	18	
LIBYA	9·9	15·3	8		7·9	25·2		7·9
NIGERIA	19·9	19·9		11·5				
VENEZUELA		55	5·6	11·6	8·6	90·4		3·3
ALGERIA		1·3					14·1	
INDONESIA			0·9		17·5	0·9		17·5
TOTAL from OPEC	188	149·0	56·4	114·1	97·3	193·7	53·4	93·5
TOTAL from WORLD	191·2	219·6	82·9	156·8	160·3	264·5	124·9	127·5

SOURCE: PETROLEUM TIMES 1970 review

Problem of states oil

Equally, OPEC's call for participation leaves open the question of what will happen to the state's share of oil once participation has been effected. For most of the Gulf states, at least, the obvious course will be to sell it back to their new partners. The Ministerial Committee has worked out a formula for calculating a "buy-back" price half-way between the tax-paid cost of crude and the posted, or tax-reference, price. This could well lead to a price above the market value of crude oil and effectively force the companies to buy oil at higher prices than those of alternative supplies.

Both on the "buy-back" price and the compensation terms, therefore, the industry will be seeking a compromise which gives the host countries a share of production activities without unsettling prices, by ensuring that compensation terms adequately cancel out the increased cost of "buy-back" or alternative crude supplies.

The producing countries, for their part, seem still uncertain of the extent to which they are prepared to compromise. The OPEC resolution and the debate on which it was based remain fairly vague, but with some signs of moderation in the approach. No deadlines have been set and the level of participation called for has been left open. The Gulf countries, which are preparing to negotiate as a body, seem to have settled on a 20 per cent. participation demand. In their preparatory talks, the producing countries appear to have been particularly anxious to avoid unsettling the market by disturbing the flow of oil or competing among themselves in direct sales. The Gulf countries, at least, seem generally to accept that the international companies remain their most profitable means of selling the oil and they show little desire to upset the majors.

The dark cloud on the horizon—as it was in the last round of OPEC negotiations—is Libya. With high reserves in the bank and little economic development to spend them on the Libyan delegates already seem to have refused to co-operate with the more moderate approach of the Gulf countries at the OPEC meeting and are widely thought to be seeking 51 per cent. participation on the Algerian example. If Libya does make this move, either before or after the Gulf negotiations, its example would make moderation more difficult for other countries. It could also easily lead to a round of "leap-frogging" claims by the Gulf and North African countries.

Companies such as Occidental and Continental Oil remain dependent on Libya for most of their supplies, but even they may prefer, therefore, nationalisation by legislation to a negotiated settlement which would force them to accept 51 per cent. of their crude back at prices which were totally uneconomic. Other countries with high production in the Middle East or elsewhere might prefer to get out altogether, while the majors are unlikely to compromise on an issue which would so vitally affect their relations with Gulf countries.

Libyan crude is already overpriced in a market suffering from oversupply and low freight rates. Although a crisis of this order could lead back to high freight rates and local shortages, the overall supply situation allows room for real brinkmanship by the companies for the first time since the OPEC drama began last year.

Iraq—possible problem area

Another problem area may be Iraq, whose original concession terms allow a 20 per cent. participation in the event of a public issue of shares by Iraq Petroleum Company. The Iraq Government is due to meet the western-owned IPC later this month to discuss a host of issues outstanding since Iraqi nationalisation of the North Rumaila field ten years ago. These include a number of back-payments claimed from IPC, and the country could be tempted to use these as a means of buying into a greater share of production, thus embroiling the participation issue in a whole range of local, highly complex, problems and setting troublesome precedents for other negotiations going on in the Gulf.

It is thus in a mood of considerable uncertainty that the scene has been set for the OPEC negotiations. Neither side seems definite in its views on the discussions, yet the implications are too important not to be settled clearly and calmly.

Participation is only the beginning of a movement that will inevitably change the relationship of producing and consuming countries and the integrated companies which stand between them and which will be pushing more of the burden of oil costs and their own profits on to the consumer through higher prices. But whether these beginnings emerge in an atmosphere of crisis and threats, or are peacefully and progressively negotiated, remains open to question.

Letters to the Editor

Marking names

Sir,—It is not generally realised how the banks and marking names exploit their monopoly position to fleece shareholders holding foreign securities. The following illustrates how this is done.

To have certificates issued by a marking name a minimum fee of £1 is charged for up to £700 of stock at market value; if the value exceeds £700 an additional charge is made, though no more work is entailed. In the case in point a further £29 was asked for.

The bank, not wishing to be outdone, charges 1p a share for claiming the certificate (this was done free a few years ago). In the case in point a further £4.09 was charged.

The Stock Exchange fixes a rate at which the dollars paid on securities should be exchanged each month. If only $1 was paid it allowed the marking name £018 last month (presumably the Stock Exchange thought this enough). In the case in point $2,000 are involved each year and no more work is involved exchanging $4 than $2,000.

As the marking names and banks realise that you cannot transfer the shares without considerable profit to them they exploit the position. This is not intended as an attack against them but against the system condoned by the Stock Exchange.

J. Sharp.

133, Old Farleigh Road, Selsdon, Surrey.

Experts and stocks

Sir,—If I interpret the consensus of opinion regarding the present state of the stock market correctly, it is one of doubt.

As a mere rank and file investor who scans your columns carefully in search of guidance, may I offer the following observations?

The experts are generally wrong. Who among them predicted the great bear market of 1969? I recall that the consensus then was that the market would move "narrowly" and finish the year at an FT Index of about 500.

Who among them noted the beginning of the new bull market in May 1970? None.

Belatedly they acknowledged its existence when it had already been in full spate for a year.

They think lack of confidence in the unit trust movement points to a break in the market. I think it indicates a well founded lack of faith in unit trust management. Nothing more.

Give or take a few months, two years is the life span of a bull market . . .

We are half-way through one. I would not sell before May 1972.

The Government is determined to reflate. The figures indicate that its policies are taking effect. Profits are improving, the rate of inflation is slowing. Poor management is going out of business. The Government has said these are its aims. It is succeeding.

Long live the experts, and long may their opinions be disregarded.

Fiona Carter.

93, Dartford Road, Sevenoaks.

Emotion and abortion

Sir,—I wholeheartedly agree with the view expressed by Elspeth Rhys-Williams (October 2) when she writes: "In view of Britain's declining birthrate, the only population problem we seem likely to have in the future is one of shortage of young people."

Many people agree that contraception is a desirable and wholly distinct alternative to abortion though unfortunately abortion is often used nowadays as a delayed form of "contraception." Since abortion can now easily be "bought" the motive to protect the girl from an unwanted pregnancy is greatly diminished. This helps encourage promiscuity among the young.

Last July I spent some considerable time investigating the abortion situation in Birmingham. Those MPs and members of the public who still deny that the present Abortion Act allows "abortion on demand" would do well to read the booklet given by the Birmingham Pregnancy Advisory Service (BPAS) to all clients. It states: "Arrangements for the pregnancy to be terminated *in all cases* where this is desired, is possible and is justified under the Act."

The BPAS (which is soon to change its name to British Pregnancy Advisory Service) has arranged for 8,311 terminations to be carried out at its own and other clinics up and down the country already this year up until the end of August.

I went to the Calthorpe Nursing Home in Birmingham which is licensed for 18 abortion-only beds and carries out operations seven days a week at £65 a time, to watch an abortion take place. To see for myself if Mr. S. Ruback (September 18) was correct when he writes that those who do not consider abortion to be a good method of population control are using "emotive language," and put out "harrowing descriptions of abortions."

The method of operation I saw is known as "dilatation and curettage." The surgeon dilates the entrance to the uterus (womb) and then inserts a large forceps to drag out the foetus and afterbirth. The bleeding was profuse as suddenly the foetus, a perfectly formed human being of about nine weeks, lay dead in a stainless steel bowl, ready to be put into the incinerator. The girl came round as one of the assistants tied a white swab round the open entrance to the womb which had just been scraped out. The whole operation had taken just less than five minutes.

Contraceptive advice is offered to a girl before she leaves Calthorpe but this is about the total extent of follow-up care. The complications, such as bleeding, etc., become the responsibility of the NHS.

This factual description will leave readers in no doubt whatsoever that abortion for social convenience (which most abortions carried out in the private sector are) is a repugnant, nauseating, cold-blooded slaughter of innocent human life.

Peter Jennings.

4, St. Augustine's Road, Edgbaston, Birmingham.

Touring by caravan

Sir,—It is imperative that you further stress the folly of Mr. Alan F. Wilcox's remarks (October 2) regarding the towing capabilities of his Fiat 124 with a 12-foot Sprite caravan.

For anyone with such limited experience of towing to suggest that a downhill speed of 65 mph with that outfit is safe is guilty not only of reckless irresponsibility on the highway but total ignorance of towing mechanics as James Ensor attempts tactfully to explain. We don't know his route to the South of France but I suspect it is the standard one down the Rhone which from his home does not present any significant problems but I dread to think of the consequences of him driving fast in Europe let alone to the North of our own country. Even with his brand of good fortune perhaps he has 12 more months.

Mr. Wilcox why not join the Caravan Club and talk to people who really know before you do yourself and others serious injury?

G. Hartley.

326, Bramhall Lane South, Bramhall, Stockport.

Unit trusts

Sir,—Studying Mr. Lewis' Saturday (October 2) graph, showing the comparative performances of net sales of units and F.T. actuaries' index of share prices over the past five years reminds me that in May, 1966, you were kind enough to publish letters from Mr. G. Owens and myself wherein we ventured the opinion that the market transactions trust managers are bound to make, according to funds entering or leaving their control, are likely to accentuate normal fluctuations in the prices of popular stocks.

As shown by the graph, May, 1966 was about the beginning of the bonanza period for the sale of units. In his letter, Mr. Owens stated: "Various stocks are included in nearly every trust offered for sale in recent times, and it is therefore becoming obvious that a large percentage of these shares are being forced far higher than is normally acceptable."

My last sentence ran: "This, I think, is the danger: price movements, up or down, must be accentuated by the behaviour of unit-trust investors, and the manager of a trust will find himself in the position of an engine-driver, with a large train behind not equipped with brakes, being pushed forward or held back by a force outside his control."

Maybe, this theory has been a hobby-horse of mine—a hobby horse it has paid me to ride—but it is indisputable, as the graph shows, that net sales of units moved up steeply with share prices to the end of 1968, then down with prices until late 1970.

And up again this year? Not likely: the public may well feel "Once bitten, twice shy."

But is it not on the cards that if, now, we are starting a time of "net repurchase balance," as Mr. Lewis and other commentators believe likely, the further forced selling of blue-chips, etc. by trust managers may hold back the otherwise likely rise in many market favourites?

S. Walworth.

113 Burnt Oak Lane, Sidcup.

Managers' fees

Sir,—With reference to the discussion on unit trust managers' fees, a recent survey in the Investor's Chronicle on Building Societies quoted management expenses per £100 of assets as ranging from 33.1p to as high a figure as 81.8p. The vast majority, however, were well over 50p. This compares with 37½p or 50p allowed to unit trust managers and four points are worth noting. First, unit trust managers' charges are limited by the DTI. Charges of competitive savings media are unrestricted. Secondly, unit trust charges were set in the thirties in the days of fixed portfolio trusts when management and trustee duties were obviously light.

Thirdly, tax complications have multiplied—corporation tax and capital gains—demanding more administration. Office overheads including postage have outstripped the general inflationary rise. Fourthly, managers have to pay very large trust expenses from their own earnings, for instance, trustee and professional fees. This may have been practical sense in the thirties but now is illogical in principle and particularly onerous.

In my view, the unit trust manager should be free to compete with other savings methods so that he can cover costs from the annual charge and put the initial charge to the longer-term marketing effort which, under present regulations, no company can afford to maintain. This would lead to more, better informed unitholders getting better value from this wonderful investment medium.

Run away charges? There is more than enough competition to keep them down.

C. N. B. Wodehouse,
Managing Director,
Hill Samuel Unit Trust Managers

12-16, Addiscombe Road, Croydon.

Wide quotations

Sir,—I have noticed a substantial amount of publicity recently in the national Press with regard to unit trusts, mainly in respect of the lack of appeal that they are making on the public at a time when it is generally suggested that the trend of the market is upward. Various reasons have been given, and I feel sure that they are all to some extent responsible.

However, I would like to add a further reason which certainly influences my attitude, and that is the substantial margin which exists in most cases between the buying and selling quotations. I realise that an investment of this type is not a short term one, but having to make up around 10 per cent. before one is on the right side is rather off-putting.

D. H. Sincombe.

17 Pickers Green, Lindfield, Sussex.

Car hire: trying to spread the summer jam

BY ARTHUR SANDLES

CAR RENTAL these days changes gear as often as a Sunday motorist on his way to Brighton. New cars, new rates, new deals with insurance companies, airlines, and railways . . . they are all part of an extraordinarily fast growing (in size if not in profits) business which is just emerging from another bumper season.

This summer there were probably 50,000 or more rented cars on the roads of Britain. For Godfrey Davis alone it is a £6m. business and the total market at the moment could be somewhere around £40m. a year. For the major companies—Hertz, Godfrey Davis and Avis along with the other "names" like Budget, Kenning and Autohall—revenue growth has been in excess of 25 per cent. this year. It is an acceleration in trade that started about three years ago and although they worry at times about the future, few people in the business can see any reason why that growth should slow.

For the outsider, and I suspect for the insider at times, the judging of size is virtually impossible. Fleet sizes vary enormously at different times of the year. Hertz had about 8,000 cars out in Britain this August, Godfrey Davis approaching 6,000 and Avis slightly less than this. More telling factors, such as the number of rental days or even total turnover, are closely guarded secrets.

However, it does seem that the U.K. companies enjoy a less fluctuating trade than their international big brothers. As Cyril Redfern of Godfrey Davis says: "The real question is not how many cars you have out in August, it's how many there are on the road on a cold wet day in late November. Anyone can sell cars at holiday weekends."

In this highly fragmented business—the non-majors still have more than 63 per cent. of the trade—industry trend definitions tend to be based on questionable indications but by and large this August was in fact not the annual bonanza that had been expected. There was a fine and healthy early summer and a spectacularly boomful September, but in August itself the run-up to America's currency crises hit bookings.

These days it bothers car rental companies when growth dips from 33 per cent. to 20 per cent. By general concensus it seems clear that the major companies found themselves overstocked with vehicles. And then, agonisingly, the traffic flowed in again and Avis in particular was short of vehicles through having parted with many of them too soon.

Intricacies

The peculiarities of the past summer serve to illustrate the intricacies of car hire. It is difficult at times to tell whether the companies are in fact in the rental business or in car sales. Both Hertz and Avis indulge in a mix of buying vehicles to sell when they feel like it, buying on guaranteed buy-back agreements, and even a touch of leasing here and there. Godfrey Davis, which has the backing of a major Ford retail sales system within the group, only does straight purchase deals, selling when the market is right.

This selling point is crucial to car hire economics. A £5 difference in the second-hand selling price of a standard saloon car can add £25,000 to the profits of a rental company. This year, strikes, the easing of the hire purchase restrictions, and the constant rise in the price of new cars have maintained second-hand prices at a pretty high level, to the considerable benefit of the rental companies.

The timing is not only a question of sales price but also maintenance. It is helpful to know that around 12,000 miles is a good time to sell a Hunter and that a Volkswagen might need new tyres at around 14,000. Obviously £20 or £30 spent on a car just before it is sold is a singularly uneconomic investment.

The other critical areas for car hire economics are more obvious. Car usage is vital. Most of the companies work to a fleet usage rate of around 75 per cent. and worry when it gets to 85 per cent. or above: this means queues and a passing on of customers to rival enterprises. Close to actual occupancy is rental frequency. Long rentals of a week or more are the car hire gold mines. You could almost hear the car hire man licking his lips as he said: "Rent it, drive it for two weeks on holiday, and return it to the place you took it from. That's the best business . . . beautiful business."

Unfortunately, large slabs of that "beautiful business" are still in the hands of the local garages and car hire firms. It is in this area that renters are both unsophisticated in their selection (they may even be frightened by the very size of the majors) and highly price conscious.

About a year ago there was a bit of a battle over prices among the major companies. Hertz and Avis, in particular, involved themselves in public debate over who was offering the cheaper rate. To-day all that seems to have been forgotten. The regular customer, particularly the business customer, puts price very low on his scale of priorities. He assumes, rightly or wrongly, that the rates he will get from the big three are much the same and from Budget slightly lower. His demands are primarily for service—a good dependable car where he wants it and when he wants it—and security—good insurance.

The smiles that woo a fickle renting public. The car hire girls at London's Heathrow Airport of (left to right) Godfrey Davis, Avis, Budget, and Hertz.

The way in which all the companies are at the moment eagerly chasing these demands is obvious. Avis will be opening at least another 40 branches in the U.K. over the next year; Hertz may add over 80; Godfrey Davis, currently boasting more outlets than its rivals, mainly because of the rail drive deal with British Rail, will also add more.

Opening branches is a desirable but expensive way of expanding. The growth of one-way rentals and the desperate battle to make sure that there is a branch around the corner is forcing the pace. Renters are neither brand loyal nor, for that matter, car loyal. They will as soon take an Avenger from Avis as a Cortina from Hertz. They will take whatever is available and nearest.

Locations

The choice locations for rental outlets are, of course, the most expensive. Airport managers, for example, are well aware of the fact that the majors *must* be represented, and charge a fee accordingly. This fee is linked to turnover—a percentage of every rental charge goes to the airport authority—and can be quite substantial.

It means that if a renter books his car through a travel agent (involving commission), picks it up from the airport (giving a rental slice to the management), keeps it only a short time and covers few miles (low fee with pre- and post-hire servicing costs), and drops it at a little used rental desk (the car will be driven back to the airport at the rental company's expense), the hire company will have made a hefty loss on the deal.

It is in a bid to increase brand loyalty and to stress "reliability" that all the majors are making a strong play of service these days. "We try Harder" Avis is putting an even stronger emphasis on its eagerness to catch No. One, and has recently beefed up its already substantial training programme.

Like all service organisations, the car rental groups rely heavily on the girl at the desk. Not many months ago a Hertz airport office told me firmly that it closed at 9.30 p.m. and I could not have a car at midnight. The Avis desk girl said she too went home at 9.30, but would come to the airport to hand the keys over when the aircraft arrived.

This she did, refusing both a tip and a lift back to wherever she had come from. But on the other hand there are few more helpful people than the Hertz staff in Belfast whose cars are from time to time burned from under the feet of journalist customers.

Apart from the accessibility of branches, another way of pulling in the custom and getting some sort of loyalty is company credit cards, another area of some aggression at the moment.

Avis in particular has been running a big credit card campaign and claims now to have 185,000 cards issued in Britain compared with the 60,000 that are in the hands of Hertz customers. Avis has now installed equipment to produce 500,000 cards a year at its West London offices, although the machinery will handle European carding as well. Once a customer has a company card you have some hope that he will turn to your desk first. It is not well known yet that both Hertz and Avis will accept the rival group's credit card.

But the real effort at the moment is to spread the load away from the summer peak. To some degree this is happening anyway as holidays get longer and the idea of rental catches on. However, it is to the business community that the hire groups really turn.

There is scarcely a company which is not pushing hard for the business market, offering discounts for group business, pushing credit cards into corporate hands, running a system of one trip dockets (Hertz) which avoids credit card misuse, or making full use of outlets as Godfrey Davis does at its railway station desks. Budget, a franchise operation which has grown tremendously in Britain in a relatively short time, is emphasising its rate advantages in business-oriented advertising.

Less emphasis

Less emphasis is placed on week-end rental, particularly in the big cities. The rental groups have enough trouble as it is with Londoners who are gradually giving up car ownership for taxis on weekdays and car hire at week-ends. It is impossible to cope with the imbalance which often builds up. At some times of the year all the rental companies find themselves with cars stacked high at the airports on Friday evenings while the week-day customers fly home, and long queues in the city centre where the local residents feel like a drive.

But it will be a sad day when any trader starts talking about too much business. Not that in the biggest growth markets they don't still ask for more. As one of the big three thought about the cars he is about to sell he pondered on what fortune might bring him. "What would really help now is a car-makers' strike. That would push the price of second-hand cars up and make a difference to our profits." Any one want to buy a Cortina? . . . A Victor perhaps? . . . How about a nice Marina?

No change in U.S. unemployment rate

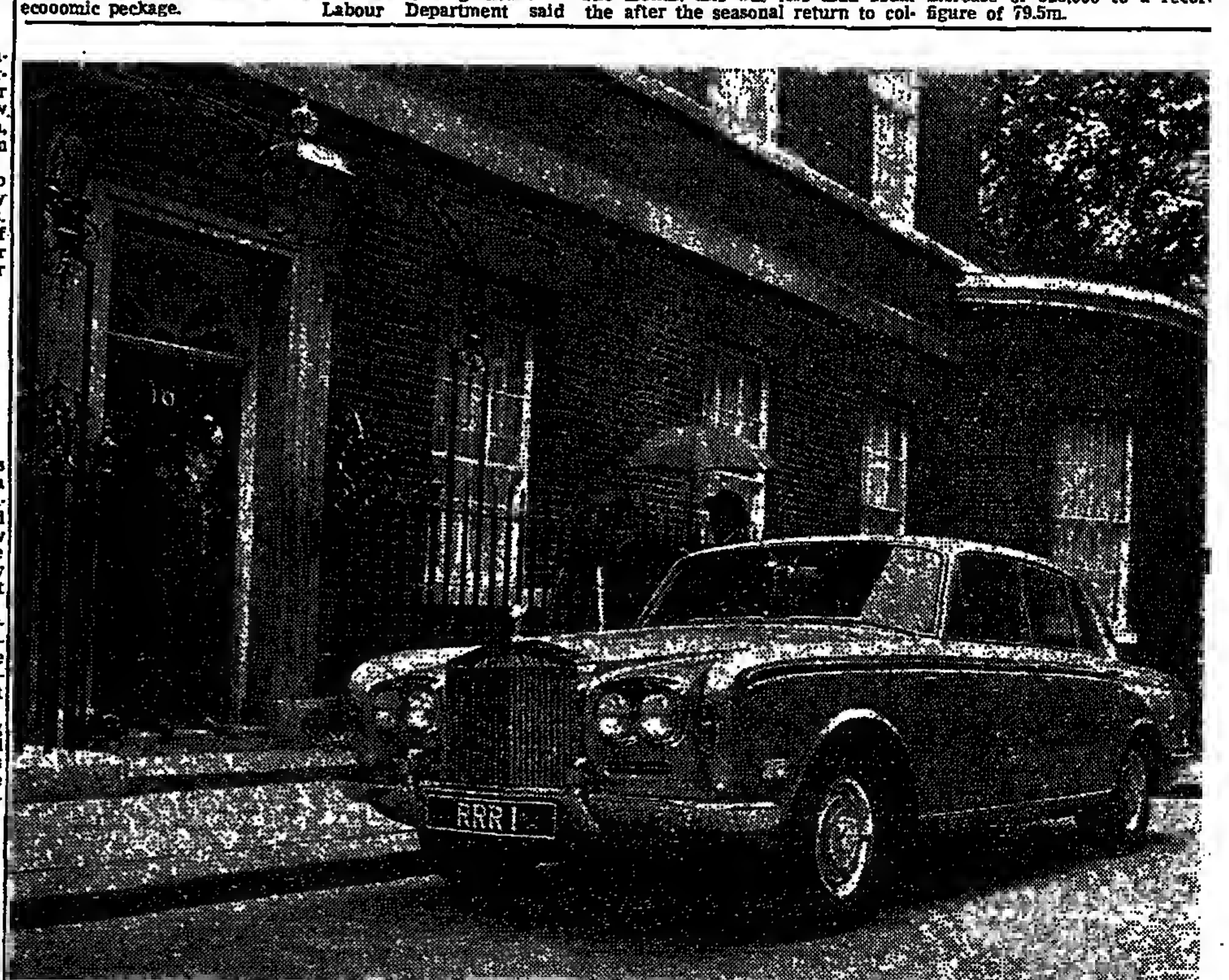
BY GUY DE JONQUIERES

WASHINGTON, Oct. 8.

THE UNEMPLOYMENT level in the U.S. remained more or less steady during September, the first full calendar month since President Nixon introduced his economic package.

The rate, in fact, dropped slightly to 6.0 per cent. from 6.1 per cent. in August, but such a small decline is not considered statistically significant. The Labour Department said the underlying situation remained "virtually unchanged."

While the actual number of employed fell by 1.3m. during the month, this was less than usual after the seasonal return to college of students who had joined the labour force during the summer. After adjustment, the total number of employed showed an increase of 325,000 to a record figure of 79.5m.



Labour News

Substantial claims by air workers

BY ROY ROGERS, LABOUR STAFF

SUBSTANTIAL pay claims have been lodged on behalf of many of the 64,000 employees of the major U.K. airlines and the British Airports Authority.

Following the breakdown in central pay negotiations with the airlines early this year, the unions decided to press individual claims for the various sections and after failing to agree jointly on the national offer of increases averaging 4½ per cent., they almost all accepted the same offer individually.

Mr. John Cousins, Transport and General Workers' Union national officer, seems to be leading the field in this round of talks, with a claim for 7,000 non-engineering ground staff including drivers, porters and baggage handlers. The claim includes a substantial pay rise, improved shift and service pay, holidays and promotion prospects and a reduction in the working week from 40 to 37½ hours.

The current agreements covering the 60,000 employees of the main public and private sector airlines, including BEA, BOAC and Caledonian-BUA, expire on December 31.

Reply soon

Substantial claims have also been lodged for sections including administrative grades and senior and technical staff and a clerical claim is understood to be going in next week. The large engineering and maintenance section is expected to draw up its claim later this month.

The British Airports Authority is shortly to reply to substantial pay claims from its 4,000 employees at Heathrow, Gatwick, Prestwick, Stansted and Edinburgh airports. The BAA's 2,400 manual workers and firemen are also seeking improved shift pay and four weeks annual holiday after one year's service, as opposed to the current five-year period. Last year they were awarded a 10 per cent. increase in rates and shift pay.

Meanwhile, the civil service unions are seeking substantial increases, based on the increased cost of living and productivity, for BAA's 1,600 clerical staff. The BAA agreements expired on October 1.

Dock strikers to give Devlin deal a trial

THE 240 Liverpool dockers who work on coastwise traffic decided after a meeting with Transport and General Workers' Union officials at Liverpool yesterday to return to work on Monday for a trial period of four days on the new pay deal.

It was this pay deal under the Devlin modernisation plan, introduced to the port generally last Monday, that led to the stoppage.

A number of coasters have been affected by their action, but others, including the cross-Channel ferries to Ireland, have sailed, although some with depleted cargoes. Elsewhere in the port yesterday, there was a surplus of 2,570 men. Forty-eight ships, four of them coasters, were worked.

Talks on Monday aim to end Sealed Beams strike

THE first positive move to end the deadlock in the 16-day strike of 600 men and women at the British Sealed Beams factory at Corby, Northants, came yesterday.

A meeting will be held on Monday at the employers' federation headquarters in Leicester, when the two unions concerned, the Amalgamated Union of Engineering Workers and the Transport and General Workers' Union will each be represented by their district organiser and two shop stewards.

A mass meeting was held yesterday. Less than half the strikers turned up. Mr. George McCart, district chairman of the AUEW, said Monday's meeting was at the request of the employers.

But a management spokesman said it had merely suggested several dates, of which Monday afternoon was one, to hold preliminary discussions. So hopes of an early settlement seem premature, though the strikers have arranged another mass meeting next Tuesday.

The dispute started on September 23 because of several wage claims ranging from an additional £3 a week to £5. The management offered £1.

Meanwhile, 300 workers at the Morris Motors export packing factory at Cowley have agreed to end their three-day strike after being told that Austin-Morris had agreed to "freeze" plans to close the factory until they had been discussed with union officials. The strike began on Tuesday when management refused to defer its closure plans until after a meeting of management and union representatives at York next week.

Thirty-three skilled welders at the Cowley car body plant decided yesterday to continue their 10-day strike, over a wage-grading issue, because of "continued absence of a company offer."

FITTERS OUT AT BR WORKS

NEARLY 200 fitters—members of the Amalgamated Union of Engineering Workers and the National Union of Railwaymen—were on strike at British Rail's York carriage works yesterday.

It was the second stoppage by the men during the last week because of a row over a deputy supervisor. The strikers claim that the deputy has insufficient qualifications for the job. Area union officials will meet British Rail officials on Monday in an attempt to end the dispute.

Currency unrest hits shipowners

BY JAMES McDONALD

BECAUSE of the current confusion in currencies shipowners, particularly tanker owners with vessels employed on dollar charters, are finding their incomes "effectively devalued by nearly 5 per cent. in Britain and by as much as from 10 to 12 per cent. in other countries," says Eggar Forrester, the London shipbrokers.

"It is not only owners who are affected," adds Eggar Forrester. "Builders who contracted to build in dollars are in an unenviable position, while owners who built in Japan in yen contracts are heavily penalised."

This situation has been pointed out recently in the Financial Times, with particular reference to shipping freight conferences who, after sterling devaluation in 1967, switched to a dollar basis.

Eggar Forrester notes that sellers of second-hand ships, finding that the dollar is a weak unit in which to deal, are quoting prices in their national currencies, or tying the exchange rate of the dollar to a fixed parity in Swiss francs or D-Marks.

Sales

With the freight market in a slump, "perhaps the worst for 20 years or more—it is difficult to view the immediate future other than with pessimism," the brokers add.

Owners who contracted to build ships in the 1969-70 boom and did not cover forward employment were finding that chartering rates barely covered their operating costs, "let alone allow for builders' repayments which, therefore, have to be drawn from reserves."

The company reports that ship sales in September were mainly of vessels built in the 1950s. "Although there is evidence of modern tonnage appearing for sale, buyers are waiting for lower prices."

BBC staff fear redundancies at Birmingham

BBC CHIEFS gave assurances about the future yesterday at a special meeting after staff complained of under-employment and fears of redundancy at the new £6m. broadcasting centre in Birmingham due to be officially opened by Princess Anne next month.

Mr. Fred Hale, national chairman of the Association of Broadcasting Staffs, said after the meeting that the 300 staff members were still unhappy about the situation.

But Mr. James Gallaher, acting head of network production, said anxiety about disappearing jobs or a London take-over of the Birmingham studios was unfounded.

'Confidence trick' by direct labour

BY MICHAEL CASSELL

THE GOVERNMENT's insistence on a firm price tendering policy for public works contracts encouraged inefficient direct labour, Mr. Harry Shouksmith, president of the National Federation of Building Trades Employers, said last night in Sheffield.

Mr. Shouksmith told the Sheffield Association of the NFBTE that under the firm pricing policy it was too easy for inefficient direct labour departments to obtain work, even though they were ostensibly competing on equal terms with contracting companies.

He pointed out that the contractor had to load his tender, as the Minister had urged, to guard against likely price increases for materials and labour in any period up to two years ahead. But at the same time, direct labour departments of local authorities were under no such compulsion.

These departments, he stressed were free to estimate at the prices ruling at the time and then to claim any future increases in prices that arose during the life of the project as justifiable additions before arriving at final cost. This final figure, he said, could easily be much higher than the lowest from a contracting company.

Mr. Shouksmith added: "We know this happens and local authorities accept it, without realising that they are being misled in accepting an uneconomic estimate in the first place. At the end of the day, however, they face higher costs, are saddled with an inefficient department and have less money in the kitty to maintain a programme of construction in line with the needs of the ratepayers. The whole business has all the elements of a confidence trick on ratepayers."

Russian film distribution agency closes

By John Chittock

THE London office of Sovexportfilm, responsible for the distribution of many Russian films in Britain, has terminated its activities and all correspondence is being referred to Moscow.

Mr Yuri Khodjaev, director of Sovexportfilm's London office, was one of the Russians recently expelled from Britain. He was well known in the British film industry.

News of the closure was communicated to Guild Sound and Vision, which is to receive a visit early next year by a party from the USSR Committee of Cinematography—who wish to see the Guild's computer-controlled 16mm film library at Wimbledon (formerly known as Sound Services). It is not known whether this visit is to be cancelled.

In the absence of a Soviet film agency in London, it is possible that many films from the USSR could now be handled by Educational and Television Films library specialising in Eastern European material.

COMPANY NEWS + COMMENT

LMS earnings and dividend higher

FROM NET attributable profit up £60,000 to £1.38m., London Merchant Securities is raising its dividend by 1 per cent. to 9 per cent. for the year ended March 31, 1971, with a final of 5½ per cent.

In their interim report the directors foreshadowed an improvement in profit.

Holders of Capital shares again receive a scrip issue, this time £42,933 of capital reserve being distributed; and a further £1,187,020 of capital reserve will be utilised in distributing 4,748,080 Capital shares on the basis of one-for-ten Ordinary or Capital shares held November 4.

	1970-71	1969-70
	£	£
Profit before tax	2,720,658	3,342,261
Taxation	844,133	1,405,220
Net profit	1,876,525	1,937,041
Minorities	492,990	605,069
To capital reserve	3,847	9,253
Net attributable	1,379,688	1,319,719
Interim dividend	347,168	292,500
Final	545,551	457,500

The group interest in Savoy Fifth Avenue Corporation was reduced after the year-end to a nominal percentage and in consequence that company's accounts have not been consolidated. The profits only include £155,847 applicable to the group and comparative figures have been adjusted.

Group net assets improved by over £22m. and the valuation of quoted investments and holdings in quoted subsidiaries at current market prices would further increase the net asset figure to over £50m.

Group activities cover property investment and trading, battery manufacturing, printing, Scotch whisky distilling, etc.

See Lex

INDEX TO COMPANY HIGHLIGHTS

Sidroy's second-half profit

AS FORECAST, clothing manufacturers Sidroy has substantially reduced its trading loss for the year to June 30, 1971. A second-half profit of £13,365 reduces the year's deficit to £82,996, compared with £252,561 in 1969-70.

After providing Loan stock interest £50,961 (£53,296) and crediting tax adjustments £225 (£19,832) and stock contingencies reserve no longer required nil (£15,000), Preference dividends, transfer to Preference share redemption reserve and transfer to ICFC loan redemption, there is a net loss of £154,576, compared with £321,975.

The last Ordinary dividend was 2½ per cent. on account of 1968-1969.

● **comment**

Although Sidroy is still showing a loss following the 1970 setback there is a hint of recovery in the 1971 results. This reflects the extensive rationalisation and reorganisation carried out during 1970 which has reduced the range of products and cut down overheads. The severe reduction in products makes it problematical whether the group can regain its previous peak of 1965-66 when trading profits reached £369,000. But with benefits still to come from the reorganisation, recovery seems likely to continue at a steady pace which supports yesterday's 2½p rise in the share price to 12p.

Rolls-Royce committee appointments

Results of the poll vote taken at the meeting of creditors of Rolls-Royce Ltd. on Monday show that approval was given to the appointment of the three liquidators by 1,789 creditors, representing £100.24m., compared with seven against representing £491,984.

As well as these figures, the names of the shareholders' and creditors' representatives on the committee of inspection were announced yesterday. They are: Mr. R. A. Clark, deputy chairman, Hill Samuel; Mr. A. J. Harrison, executive officer, Derby and Derbyshire Chamber of Commerce; Mr. A. H. F. Hopkins, a consulting engineer; Mr. Alexander Macintosh, a chartered accountant; Mr. R. R. Masters, assistant investment manager, Prudential Assurance; Mr. D. R. McDonald, a chartered accountant; Mr. R. N. Meatyard, company secretary, Associated Engineering; Mr. J. N. Prentice, of Deloitte and Co.; Mr. J. W. Shield, company treasurer, Joseph Lucas Industries; and Mr. J. T. Waldron, a solicitor.

Modest advance by Allebone

SHOE MANUFACTURERS and retailers, Allebone and Sons, reports a group pre-tax profit of £93,000 for the seven months to July 31, 1971. This compares with £68,000 for the six months to June 30, 1970.

An interim dividend of 5 per cent. is declared in respect of the current 13 months' period to January 31, 1972. For the year 1970 a single dividend equivalent to 15 per cent. was paid on a profit of £302,368.

	Seven months 1971	Six months 1970
	£000	£000
Retail turnover	2,100	1,658
Manufacturing	414	344
Total turnover	2,514	2,002
Retail trading profit	93	69
Manufacturing	39	32
Total trading profit	132	101
Interest charges	39	33
Profit before tax	93	68
Taxation	40	30
Net profit	53	38

Results from the retail division show a modest improvement in both turnover and profitability. The major proportion of the division's profit is earned in the second half and interim results should not be used as a basis from which to project annual profits, says chairman, Mr. A. Allebone.

Four new shops have been opened to date and a further five are scheduled to open before the end of the current financial period.

Despite a rather indifferent period of trading in the earlier months the manufacturing division took full advantage of better conditions as they materialised. Both factories are working to capacity and the results to date compare favourably with the previous year.

● **comment**

Interim pre-tax profits have risen 17 per cent. at Allebone after adjustment to a six-months' basis while sales are up by only 7½ per cent. The retail section provided most of the growth; here the group's policy of combining higher prices with buying more cheaply, from local and foreign shoe-makers, helped widen margins.

The current unemployment situation has ironically boosted business, for Allebone shoes which cater to the lower end of the trade are finding more customers for inexpensive shoes. However, this anomaly cannot be relied on indefinitely, with many of the group's shops around Glasgow. While the uptrend continues into the second half, the year's outcome depends heavily on Christmas purchases—and no one is prepared to say how they will go. Perhaps the historic p/e of 8.9 at 21½ has a point.

Lawtex better than expected

ON INCREASED sales of £2,570,564, against £2,218,852, group pre-tax profit of Lawtex decreased from £162,390 to £104,639 for the year to July 3, 1971.

The final dividend is the foreshadowed 7 per cent. minimum making 12 against (18) per cent.

When reporting first-half profit of £59,023 (£115,689) the directors said the second half was unlikely to make any contribution to profit.

Net profit for the year was £94,159, compared with £113,945, after tax of £10,484 (£48,445). The company manufactures umbrellas, overalls and work clothing.

● **comment**

Lawtex's 1970-71 profits, although down about 35 per cent. pre-tax, are still better than seemed likely at the halfway stage and the shares rose 2p on the results to 35p. The slight recovery evident in the second six months was attributable to a general increase in demand, particularly for work clothing. But at the moment it is not clear how long a full recovery to the peak £261,000 pre-tax of 1969 will take, so the cautious p/e of 7.2 seems well justified.

Hewden Stuart interim 7¼%

FIRST-HALF group pre-tax profit of Hewden-Stuart Plant, Glasgow-based plant hirers, decreased from £296,111 to £205,467, after higher depreciation and interest charges.

The interim dividend is rounded up from the equivalent of 7.14 to 7.25 per cent. A total equal to 20.36 per cent. was paid for the year to January 31, 1971 on a profit of £679,532.

Summing up prospects, the directors state that the large volume of work now in the pipeline for the construction industry, the Government's reflationary policy and the aid announced for the development areas all give confidence in the medium term.

Weather conditions and the precise timings of commencement of work on new orders now being obtained by the industry will determine the extent to which the anticipated improvement will be reflected in group profits in the current year. But no forecast as to the final profits can be made.

	Six months 1971	1970
	£	£
Trading profit	973,306	871,785
Depreciation	600,003	468,992
Interest charges	148,045	108,822
Balance	225,258	293,971
Credit minority loss, etc.*	18,488	2,140
Loan stock interest	30,279	—
Profit before tax	205,467	296,111
Taxation	82,187	132,287
Net profit	123,280	163,824
Interim div.	68,165	65,515
Retained	55,115	98,314

* Pre-acquisition loss and minority interest.

Last May the directors drew attention to the problems of cost inflation and poor hire rates. They now say that since May the group has been faced with a severe and progressive drop in demand—and the development areas in which the group primarily trades were the worse affected.

Since August some improvement in demand from the low points recorded in the summer months has been experienced but utilisation is not yet satisfactory, the directors add.

Setback for Dolan Packaging

IN THE year ended July 3, 1971, profits of Dolan Packaging have suffered from the effects of its development programme, and current major developments will prevent any significant movement during this year, the directors report.

Including Smith Stone and Knight from May 26, 1970, group profit for 1970-71 came to £528,845, against a stated £683,894. Wm. Dolan's profit for the year 1969-70 was £393,576 before tax £179,266.

The development programme has resulted in a substantial increase in depreciation and an unavoidable loss of production, the directors explain. They feel there are positive grounds for optimism from the early part of 1972.

The final dividend is again 1.78p, to maintain 2.2p per 10p share.

Group profit is struck after loan stock interest £60,565 (nil). Tax takes £196,404 (£303,475) to leave a net balance of £332,441 (£380,419).

● **comment**

In spite of pre-tax profits coming out some 22½ per cent. lower than the enlarged group would notionally have produced in 1969-1970, Dolan's earnings per share are up from 3.6p (ex-acquisition in 1969-70) to 4.1p (cum acquisition on increased capital). This suggests that it was primarily that acquisition—Smith Stone and Knight—which fell short, although it is likely that the apparent pre-tax setback was highlighted by problems elsewhere. In addition to production being disrupted (at least for 16 weeks in one plant) by the general post-merger reorganisation, it seems that the rate of growth in demand for corrugated packaging fell back during the year. This was due in part to competition from plastics and in part to the general pre-budget sluggish demand. Packaging for both durable and non-durable consumer goods accounts for a large part of sales. So while the outlook for the first-half of 1971-1972 is not much more hopeful, there is a good chance that the post-budget uplift will filter through in the last six months and that real growth will follow. At 31p, the shares on a 7.3 p/e are not looking far ahead.

South of England Bldg. expansion

The South of England Building Society reports that during the half-year ended October 4, 1971, investments have continued to flow in at a record rate and total assets now well exceed £84m.—an increase of 10.15 per cent. for the half-year.

Total receipts from investors rose to £19,659,000 from £12,601,000, and withdrawals were £9,067,000 (£6,231,000) giving a net inflow £1.2m. higher at £7,592,000 against £6,370,000.

Home loans granted in the period totalled £10,968,000, an increase of £5,412,000 over the corresponding period.

At October 4 share and deposit balances stood at £81,123,000 (£73,538,000) and mortgage balances at £63,033,000 (£56,274,000).

A new branch was opened in Bridgwater and on Monday, October 11, a new branch will open in Haywards Heath. The network throughout the South of England has now been increased to 26.

Measuring the size of the silver halide crystals in a photographic emulsion at the Harrow, Middlesex, research laboratory of Kodak. The size of these crystals, known as grains, and which are the basic units of the emulsion, play a vital part in the performance of a film. Records of grain distribution are made by electron micrography or photomicromography.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Allebone and Sons ... int.	5	Nov. 5	—	—	*15
Dolan Packaging	†1.78p	—	1.78p	2.2p	2.2p
Doloi Tea ... 2nd int.	10	Nov. 10	—	20	37½
Estate Duties Invest. int.	4	Dec. 3	*3.7	—	*9.2
Lawtex	7	—	11	12	18
Hanimex Crpn.	10	—	10	20	20
Hewden-Stuart ... int.	7.25	—	*7.14	—	*20.36
London Merchant Secs.	5½	Nov. 5	5	9	8
Seafield Amal. ... int.	(c)20	Dec. 6	—	—	—
Startrite Eng.	12	—	12	18	18

* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) Special interim in accordance with Sime Darby offer.

Hanimex profit hits record

DESPITE severe cost pressures on the Australian manufacturing interests, Hanimex Corporation has turned in a record profit of $A807,000 in the year to June 30, 1971, against $A678,000.

Net attributable profit was $A653,000 ($A630,000), equivalent to 12.07 cents per share on $A2.32m. capital (13.34 cents on $A2.01m.). The dividend is held at 20 per cent., with a final of 10 per cent.

	1970-71	1969-70
	$000	$000
World sales	21,660	17,660
Trading profit	1,260	1,090
Profit before tax	807	678
Taxation	*54	48
Net profit	*653	630

* After minorities $17 ($228).

Mr. Jack Hannes, managing director, says profits of all trading subsidiaries, including the U.K., increased satisfactorily in line with higher sales, but profits on manufacturing activities were severely affected by "quite unprecedented and heavy" increases in costs.

Should Australia decide on a revaluation of its $, Hanimex intends to plan actively to locate manufacturing for overseas markets in overseas territories to ensure that its products will continue to be available competitively in overseas markets, he says.

A revaluation of properties has given rise to a $667,561 surplus, which has been put to reserve.

M. Mole Board criticism

Plans of a "ginger" group of shareholders in M. Mole and Son to revitalise the company's fortunes were described yesterday by Mr. T. R. Coughtrie, Mole's chairman, as a "fourth attempt down the blind side . . . and each previous move has failed."

Mr. Coughtrie said that on three occasions in the past outside groups had attempted to pressure the Board, all wielding the same cluster of shares they had passed on, one to the other, after each abortive attempt. Each time, the same strategy had been used "denigrating the management with the same old tired remarks."

However, Mr. Coughtrie was reluctant to say what explanations he would give for criticisms levelled at the Board whether he would have any good news for holders attending an extraordinary meeting called by the "ginger" group. This would have to await the meeting—"I owe my first explanation to the shareholders," he commented.

The "ginger" group is headed by Mr. G. Simon, chairman of Allied City Share Trust, which has a 24 per cent. stake in Mole. Mr. Simon claims that old fashioned policies have kept Mole's profits and share price stagnant for 10 years.

A date for the extraordinary meeting to consider proposals for the appointment of four directors nominated by the "ginger" group has yet to be fixed.

Talbex Group affairs

Regarding the proposal to grant an option to Industrial and Commercial Finance Corporation in connection with its loan of £100,000 to Talbex Group the directors have circularised holders with up to date information of borrowings and contingent liabilities.

In addition they say that substantial claims have just been made against the company for breaches of warranty following the sale of the Joslin Group earlier this year.

Talbex is obtaining legal advice in connection with the claims—no legal proceedings have yet been instituted.

Taking into account banking and other facilities available, including in particular the loan agreed with ICFC, the directors are satisfied that the company and subsidiaries will have adequate working capital for present needs.

Startrite Engineering holds 18%

AN UNCHANGED final dividend of 12 per cent. by Startrite Engineering Group maintains its total at 18 per cent. for the year 1971.

Pre-tax profits of the group (bandsaw etc. makers and distributors) slipped from £173,700 to £171,810. At halfway, when profits were ahead at £78,967 (£61,661), the directors said that, despite the difficulties of general trading conditions, they expected a figure for the full year of the same order as for 1970.

Corporation tax takes £64,199 (£83,800) and cost of the dividend is £54,000—twice covered—leaving £53,611 retained in the business.

Group turnover was £1,466,800 compared with £1,472,000. In view of the depressed conditions in the capital goods sector the directors feel the result signifies "the group's strength and ability to take advantage of any upturn in capital goods buying."

Amalgamated Transport to liquidate

Amalgamated Transport Services, which last month announced plans to liquidate its Allisons Freightliners subsidiary and put its Spinks Transport offshoot into the hands of a receiver, is itself now proposing to go into liquidation. A meeting is to be held on November 3 to approve such a move and to appoint a liquidator.

This follows a series of problems which arose following ATS's acquisition of Allisons in 1969. Apparently, no investigation was made of Allisons prior to the purchase and instead of an expected £100,000 loss being incurred in the year to April, 1999, the deficit was in fact £250,000.

Since this position was realised the situation deteriorated both for Allisons and Spinks, which, until 1999-70, was consistently profitable.

Midway rise for Estate Duties

AN increase in first half pre-tax revenue from £368,597 to £403,412 is reported by Estate Duties Investment Trust.

The interim dividend is effectively raised from 3.7 per cent. to 4 per cent. A total equivalent to 9.2 per cent. was paid for the year to March 31, 1971 from pre-tax revenue of £843,313.

INTERNATIONAL LIFE'S NEW DISABILITY PLAN

International Life Insurance (U.K.) has designed an insurance policy to offset the serious financial effects, on both the business and the individual, of a partner's disability.

The policy provides the means for the continuing partners to purchase the shares of the disabled partner at an agreed value over a five year period.

BURNS PHILP IN NEW HEBRIDES

Burns Philp and International Trustee Company has been incorporated in the New Hebrides and licensed under the applicable Trust regulations to carry on business there. It will provide trustee services and has access to a comprehensive range of international banking, financial and commercial expertise.

Results due next week

Next week's list contains a strong representation from the retail sector with results expected from Marks and Spencer and British Home Stores plus mail order rivals Grattan Warehouses and Empire Stores. Also likely to attract attention are the figures from Glaxo and Babcock and Wilcox.

Marks and Spencer and British Home Stores both made impressive progress in 1970-71, with profits up 15 per cent. and 22 per cent. respectively. Both are producing interim results next week, Marks on Tuesday and BHS on Thursday and each seems set to reveal continued improvement; BHS produced an optimistic report in May and Marks announced in the same month that excellent progress had been made in the first two months.

Glaxo's preliminary figures on Monday follow a first half rise of 3 per cent. to £11.66m. pre-tax. This means that Glaxo has now had two successive half-years of next-to-nil growth and given the currently low level of pharmaceutical demand in the U.K. there is nothing to suggest that the second six months will have been much better.

Empire Stores' 1970-71 pre-tax profits rose 16 per cent. to £2.47m., while in the same period Grattan Warehouses lifted profits by 6 per cent. before tax to a new peak of £7¼m. Empire's interim results are due on Monday and Grattan's on Tuesday and it will be interesting to see how each has fared during a period when sales must have been affected by the postal strike. In April Grattan stated that the postal dispute had caused only a temporary change in the development of the company and Empire announced in July that sales for the first quarter had risen by 5 per cent. despite the effects of the strike.

Although Babcock and Wilcox's 1970 profits were up 49 per cent. at £3.08m. pre-tax, exceptional items made it difficult to judge the true progress of the group. Babcock is looking for higher profits in 1971 but it may be worth remembering that the group has missed its forecast for two years running. The half-year figures are expected on Tuesday.

Lesney Products' 1970-71 figures in May showed a pre-tax loss of £1.23m., most of which was due to a sales collapse in the U.S. However, the group has since reduced the size of its U.S. business and although it was still showing a loss after 16 weeks of the current year, Lesney has announced that this has already been covered by the profits from other markets. The interim is due on Tuesday.

The shipping sector is represented by the interims of Shipping Industrial on Monday and Ocean Steam on Tuesday and although their activities are very different both are looking for maintained profits in the current year. For SIH this means a consolidation of a peak £3.96m. pre-tax which included £1.1m. from its new acquisition Dene Shipping. However, Ocean's profits fell by 26 per cent. to £6.3m. post tax last year and whereas SIH can probably look forward to further growth in 1972 Ocean seems unlikely to make a full recovery until 1973.

Other results expected next week include the interim figures from Curry's on Monday Chubb and Son on Wednesday, and Matthews Wrightson and Wigham-Richardson on Thursday.

Company	Announcement due	Dividend %* Last year Int.	Dividend %* Last year Final	Dividend %* This year Int.
FINAL DIVIDENDS				
Anglo American Asphalt	Tuesday	Nil	Nil	Nil
Hugh Baird	Tuesday	2½	15	2½
William Boulton (Holdings)	Tuesday	7	13	7
Consolidated Gold Fields	Tuesday	11¼	17½	11.6
Thomas French and Sons	Thursday	6½	14½	6½
Glaxo Group	Monday	5	5	5
Hardura Group	Thursday	—	Nil	—
Lampa Mining	Monday	5	20	5
London and Strathclyde Trust	Monday	2½	4	2½
North Atlantic Securities Corporation	Thursday	3½	4½	3½
Pressac Holdings	Thursday	14	21	16
Refuge Securities	Wednesday	—	7½	12
Tanganyika Concessions	Monday	10	15	10
Walker and Homer	Thursday	11¼	25 5-6ths	17
INTERIM DIVIDENDS				
Appleyard Group of Companies	Thursday	6	11½	
Atlas Electric and General Trust	Thursday	5	15.5	
Austin Reed Group	Wednesday	2½	6¼†	
Babcock and Wilcox	Tuesday	4½	5½	
William Bale (Holdings)	Tuesday	7½	15	
Beyer Peacock	Thursday	15	25	
Bishopsgate Trust	Monday	5	14	
British Home Stores	Thursday	9.1	15.4	
Brook Street Bureau of Mayfair	Monday	15	30	
J. Compton Sons and Webb (Holdings)	Wednesday	4½	11.633	
De Vere Hotels and Restaurants	Tuesday	5	11	
Dominion and General Trust	Tuesday	7½	15½	
Empire Stores (Bradford)	Monday	6¼	8½	
Erith	Thursday	6	12	
Fairview Estates	Friday	—	—‡	
John Finlan	Thursday	25	45	
E. Fogarty	Thursday	4.29	10.71	
Fothergill and Harvey	Friday	6	9	
FPA Construction Group	Thursday	—	Nil	
W. G. Frith	Wednesday	3	Nil	
Gerrard and National Discount	Tuesday	10	25	

Company	Announcement due	Dividend %* Last year Int.	Dividend %* Last year Final	Dividend %* This year Int.
Grattan Warehouses	Tuesday	10	18½	
Greeff-Chemicals Holdings	Tuesday	5½	8	
Green's Economiser Group	Wednesday	4	8	
T. G. Harrison	Tuesday	3½	11¾	
P. C. Henderson	Thursday	7½	26½	
Hunting Associated Industries	Monday	4	4	
Holt Products	Tuesday	12½	7½	
Investment Trust Corporation	Tuesday	5	15	
Jessel Toynbee	Wednesday	5	12	
Kenkast	Tuesday	Nil	7½	
Lesney Products	Tuesday	—	Nil	
L. Lipton	Monday	—	17	
London Trust	Wednesday	15	22½	
Marks and Spencer	Tuesday	3.83	19½	
Matthews Wrightson Holdings	Thursday	—	—‡	
Morris and David Jones	Wednesday	4½	12	
James Neill Holdings	Monday	12½	9	
M. F. North	Monday	6½	8½	
Ocean Steam Ship	Tuesday	14	14	
Orion Insurance	Wednesday	7½	15	
William Pickles	Wednesday	4	6†	
Queens Modern Hotels	Friday	6	9	
Root Harvesters	Tuesday	5	7½	
Shipping Industrial Holdings	Monday	11	24	
Smith St. Aubyn	Wednesday	9.14	14.68	
Tremletts	Tuesday	—	5	
Union Corporation	Tuesday	64	128	
E. Upton and Sons	Thursday	4	8	
Upward and Rich	Friday	3	12½	
Weeks Trailers	Tuesday	5	9	
Wigham Richardson and Bevingtons	Thursday	15	20	
Williams and James	Monday	7½	10	
INTERIM FIGURES ONLY				
Currys	Monday			

* Adjusted for any intervening scrip issue. † Second interim. ‡ Made public June, 1971. Forecast 15 per cent. interim, 25 per cent. final. § Made public May, 1971. Forecast interim 12½ per cent., final 17½ per cent.

ISSUE NEWS

Cardiff £5m. loan at 7¼%

Cardiff Corporation announces that underwriting is being arranged by J. and A. Scrimgeour for an issue of £5m. 7¼ per cent. Redeemable stock, 1977, at £99¼ per cent.

The stock is payable as to £10 per cent. on application with further calls of £25 per cent. on November 9, £25 per cent. on November 30 and £39¼ per cent. on January 6, 1972. Interest is payable half-yearly with a first payment of £3.2276 per cent. on May 15, 1972. Running and gross redemption yields are £7.305 per cent. and £7.404 per cent. respectively.

Full details will be published on Monday and application lists open on Wednesday.

Chubb & Son

Chubb and Son announces that of the 3,073,488 Ordinary 25p shares offered to Ordinary holders by way of rights at 100p each, 2,931,234 shares (95.4 per cent.) were taken up by provisional allottees. The remaining 142,254 shares have been allotted to the 3,447 holders who applied for a total of 2,843,988 additional shares as follows:

Application	Allotment
40 or less	in full
41 to 100	40
101 to 600	50
601 to 50,000	60
50,001 or more	76

It is hoped to post letters in respect of these allotments on Tuesday.

SMITH'S ENTERPRISES

Details are being sent out in respect of the rights issue of £450,000 9½ per cent. convertible unsecured Loan stock 1985-90 at par in Smith's Enterprises (Glamorgan).

The stock will be convertible into Ordinary 25p shares on July 31 in any year between 1974 to 1977 (inclusive) on the basis of 67 Ordinary 25p shares for every £100 of stock. Interest on the stock will be payable half-yearly with a first payment of £7.85 to be made on August 31, 1972.

The proceeds of the issue will be used to reduce bank borrowings and to further the expansion of the company's business.

Dowty group

Lazard Brothers and Co. announces on behalf of the Dowty Group that of the £5.3m. 7 per cent. Convertible Unsecured Loan stock, 1986-91, offered to holders in the proportion of £1 of Stock for every seven shares held on August 17, a total of £4,811,550 (about 91 per cent.) has been taken up.

Applications for excess stock have been received for a total of £3,348,656 stock. The £488,450 stock available to meet these applications has been allotted on the following basis: up to £250, allotted in full; and over £250 about 6 per cent. with a minimum of £250. Allotment letters and cheques will be posted to holders on Friday, October 15.

JOHN LEWIS PROPERTIES

The John Lewis Properties £5m. 9½ per cent. Mortgage Debenture stock 1992-97 is being issued at £98 per cent. and not £98½ per cent. as incorrectly stated yesterday.

RAINE ENGINEERING

Raine Engineering proposes to capitalise £500,000 by the issue of Ordinary 5p shares and to consolidate the share capital into Ordinary 10p shares. Each shareholder will thus hold three Ordinary 10p shares for every two 5p shares already held.

UNIT TRUSTS

S & P Property bond

Units are being offered in the Save and Prosper Property Fund at 101.8p each until October 15 next. The minimum single premium investment is £100, and there is also a Save-Insure-and-Prosper Plan for a minimum monthly premium of £5.

This plan is unusual in that the withdrawal schema for sums of £1,000 and over offers a choice of rates—4 per cent., 9 per cent. and 8 per cent. net of income tax and capital gains tax.

● **comment**

Launched in March this year, Save and Prosper's Property Fund now stands at well over £2m. Insufficient time has elapsed to form an opinion of the property expertise of the group which, of course, is best known for its leading position in the unit trust field. As with all property bonds this contract is essentially a long-term investment, and performance is likely to be steady rather than dramatic by the very nature of the underlying assets. Indeed, over the last six months—on an offer to bid price comparison—Planned Savings' tables show that an investment in this bond has declined by 3.3 per cent. Apart from the choice of withdrawal rates, the only other distinguishing feature is the guarantee to double the original outlay over a twenty year term.

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ABBEY PROPERTY BONDS ON OFFER

Abbey Life Assurance is making an offer of units in the Abbey Property Bond Fund at £1.02 until October 22. A cash withdrawal plan is available for policyholders prepared to subscribe £1,000 and over, but otherwise the minimum investment is £100.

● **comment**

At £66m., the Abbey Property Bond Fund is easily the most popular in the field, attracting funds lately at the rate of just under £4m. per month. Several detailed improvements have been made recently, including more advantageous treatment for capital gains tax and also a more versatile withdrawal scheme. Perhaps the most useful facility introduced from the investment point of view is the ability now to swop property units for either equity units or selective units (this being a mixed fund).

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ROBERT SILK BOND OFFER

Property Equity and Life Assurance is continuing its promotion of the Robert Silk Property Bond. Units are allocated at the price ruling on receipt of applications and the minimum investment is £200.

A withdrawal scheme is available for sums in excess of £1,000 at an annual rate of 7 per cent.—free of income-tax and capital gains tax.

● **comment**

The Robert Silk Property Bond is the latest to be put before the public—although, in fact, the property fund was created over 10 months ago with the backing of the Silk family to the tune of £200,000. The main selling point of this contract, which in all other respects is fairly standard, is the experience of the investment managers who used to run Silk's Estates, a publicly quoted property company, before it was taken over by Central and District Properties in 1969.

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WESTMINSTER BOND OFFER

City of Westminster Assurance is offering its Property Bonds for a minimum investment of £45. Applications received by October 31 will secure units at the current offer price of 37.0p.

Holders of five or more of the bonds are eligible for the withdrawal plan, which gives a return of 6 per cent. per annum net.

See Page 3

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HAMBRO MANAGED BONDS

Hambro Life Assurance is making a further offer of units in Hambro Managed Investment Bonds at £1.121 each until October 14. The minimum investment is £250.

A 6 per cent. per annum withdrawal scheme is available for investors with sums of £1,000 and above; the income is both free of income tax and capital gains tax, though there may be some liability for surtax.

● **comment**

Hambro Managed Investment Bonds are virtually assured of being a marketing success, if only through the reputation of the team heading Hambro Life Assurance. In fact, the idea of a unitised fund with a triple investment mix—property, equities and fixed interest—is not all that new. But the argument for a fund which can use its flexibility to avoid market pitfalls is as strong as ever.

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SCHRODER FUNDS

Merchant bankers Schroder Wagg are advertising the Schroder Capital and Income Funds for a minimum investment in both cases of £2,500.

Units are available on Stock Exchange Settlement days, usually every other Tuesday, the next opportunity to buy units arising on October 12. Schroder single or regular premium policies linked to these trusts are also available.

● **comment**

Schroder always aims at the top end of the market with its unit trusts, and in return for a high minimum investment unitholders can expect below average charges. As regards investment performance, the group manages to steer a fairly middle course with most of its trusts, relative to the rest of the industry. Of the Capital and Income Funds, which of course are intended to perform separate functions, the latter has undoubtedly proved the better of the two in terms of total return since formation in November, 1968.

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PLANNED SAVINGS

Planned Savings' October issue discusses the growing popularity of property bonds and the groups that are taking in the bulk of the money. The magazine estimates that overall £7.5m. each month is being attracted to this investment medium and the article concludes that "As long as investors have a paramount need for security, property bonds will have the upper hand in attracting new money."

JESSEL PROPERTY & GENERAL

The distribution on Jessel Property Shares and General Unit Trust, for the period March 1, 1971, to August 31, 1971, is 21.76p gross per 100 units (13.33p net), payable October 10. This compares with 10.15p gross per 100 units last year (11.25p net).

Since its launch in October, 1968, the offer price of the units has appreciated by 78 per cent.

HILL SAMUEL INCOME OFFER

Hill Samuel Unit Trust Managers is offering units in Hill Samuel Income Trust this weekend at the current price for a minimum investment of £250.

BIDS AND DEALS

£3½m. Bodycote bid for Valdown

Bodycote Holdings has exchanged conditional contracts to acquire the capital of Valdown Jersey Fabrics for a share and loan stock consideration which values Valdown at £3.5m.

In view of the size of the deal, Bodycote has requested suspension of its quotation pending shareholders' approval and publication of full particulars.

Bodycote makes knitted garments, blankets and is engaged in textile merchanting and converting. Valdown, is based in Manchester, produces single and double jersey knitted fabrics, while subsidiaries in Leicester design and make-up garments for mail order houses, large stores and for export.

Consideration is the issue of 7,875,000 Ordinary 5p shares of Bodycote (quoted yesterday at 34½p), and £840,000 9½ per cent. partly-convertible guaranteed unsecured loan stock 1976. The stock, which Slater, Walker (advisers to Bodycote) has agreed to purchase from the vendors at par, will carry rights to convert up to 50 per cent. of stock into Ordinary capital of Bodycote at the rate of 5p of Ordinary for every 25p Stock in any of the years 1974, 1975 and 1976.

S.W.S. (S.A.) TERMS FOR SUZMAN

Terms of the offer (indicated in August) by Slater Walker Securities (South Africa) for the Ordinary shares in L. Suzman not already owned are 45 SWS (S.A.) Ordinary shares, or 30 shares and R95 in cash, for every 100 Suzman. The offer document has been posted—SWS (S.A.) holders are being requested to authorise the allotment of sufficient shares to satisfy the offer.

The offer closes on October 29. The cash option will not be extended beyond that date.

FARROW & JACKSON PROPERTY BUY

Farrow & Jackson and Purdy, makers of brawing equipment and labelling machines, is planning to acquire from Fenchurch Group Brokers, a subsidiary of Fenchurch Insurance Holdings, the unexpired lease on 87-95, Mansell Street and 38-40, Prescot Street, E.1, for £475,000 cash. Subsequently, FJP plans to re-let the premises, which are adjacent to its own, at current market rental.

The deal is dependant on the approval of FJP holders and also to their approval of an increase in borrowing powers from an amount equal to £250,000 to £1.24m. On completion of the deal the net asset value of FJP's shares would be around 455p a share, before accounting for any capital gains tax which would arise on a sale.

In a letter outlining the deal, Mr. K. G. Bouckley, the chairman, reaffirms his forecast of pre-tax profits for the year to July, 1971, of around £100,000.

An extra-ordinary meeting to consider the proposals will be held on November 1.

LOTHIAN TRUST

Standard Guarantee, which with associates recently purchased a 57.22 per cent. stake in Lothian Investment Trust, has now sent out documents in respect of its foreshadowed offer for the balance of the equity. The offer is 40p cash a share, which is equal to the highest price paid by Standard for its present stake.

It is intended to retain the share quotation of Lothian and to maintain its status as an approved investment trust. Business will be developed in the investment trust field.

Standard is a private company engaged in banking. Its £100,000 capital is owned by Mr. P. D. Segal and family trusts. Mr Segal joined the Board of Lothian on September 24 subsequent to Standard acquiring control.

The offer closes on October 29

Plantation Holdings expands

Plantation Holdings is further expanding its scientific instruments business with the acquisition by its subsidiary, Southern Instruments Holdings, of Bryans, manufacturers of graph-plotting X-Y recorders, for £365,000—£175,222 Plantation 11 per cent. Convertible Subordinated Unsecured Loan stock, 1991-96, and £165,000 cash.

Bryans' net asset value is approximately £350,000 and in the year to March 31, 1971, the net profit, after non-recurring expenses was £45,000. Based on progress in the first six months, higher profits are indicated for the current year.

Bryans' products complement the range of light beam recorders and associated products manufactured by the group and will swell annual sales of Plantation instruments division to £3m. This excludes group interests in business communication systems, electrical appliances and computor software.

The purchase is subject to approval of holders of Bryans' parent company, Seltronic Group, at an extra-ordinary meeting on October 25. It does not affect the relative interests of Plantation and Industrial and Commercial Finance Corporation in Southern Instruments Holdings which remain at 55 per cent. and 45 per cent. respectively.

NEWALL GIVES ITS REASONS

Although present times are difficult for Newall Machine Tool, it is now in a stronger position than most in the industry and with weaknesses now corrected there are excellent prospects for the future.

This is one of the reasons put forward by Mr. D. Player, chairman, for rejecting the offer by Tube Investments worth around 27p a share. He also feels that, in view of the depressed state of the industry and the low level of machine tool company share prices generally, it is certainly not the time for shareholders to consider disposing of their shares.

Mr. Player points out that the value of net tangible assets at March 31, 1971, was 39p a share.

The directors will not be accepting in respect of their holdings totalling 9 per cent. and holders of a further 27 per cent. have stated they will not accept. The latter includes the 820,000 shares (11.4 per cent.) held by Whitehall Trust.

More bids, Page 26

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p***	+ or −	Div. % or Amount	Times Covered	Gross Yield	P/E Ratio
♣	F.P.	—	335	312	Anglo-Am.Ind.Cp.(R1)	336	+10	†38½	†1.5	8.6	12.7
♣	F.P.	—	310	300	Do. Do. Defd.(R1)	310	+10	132½	†1.5	5.9	11.8
—	F.P.	—	61	35	Cap.& CountiesW'rr'ts	39	—1	—	—	—	—
♣	F.P.	—	220	145	Carron Co. (Hldgs)	155	+5	620	3.3	3.2	13.7
5	nil	—	13½	12½	Coalit Warrants	13½	......	—	—	—	—
14	F.P.	—	12½	12	EmpressServ.(H'gs)10p	12½	......	bd10	1.2	8.0	10.7
—	F.P.	29/10	99	86	Grand Met. Warrants	99	+5	—	—	—	—
—	—	28/10	90	85	McKaySecs.CapShares	88	......	—	—	—	—
—	F.P.	16/9	77½	65	Mucklow (A.&J.) Ord.	78	......	—	—	—	—
—	—	28/1	36	27	Sime Darby Warrants	31	......	—	—	—	—
—	F.P.	—	151	141½	Slater W.Secs.W'rr'ats	143	—5	—	—	—	—
100	F.P.	—	105	101	Slater W.Inv.Tst.(50p)	103½	......	64	—	1.9	—
90	F.P.	2/11	79	60	Tigon Group	76	......	bd35	2.0	4.8	11.1
—	—	5/11	55	38	Tr'falg'r Ho'e B'W'rr'ts	50½	+2	—	—	—	—
♣	F.P.	—	95	77	Unitech 10p	78	......	x10	4.0	1.2	19.2
●17½	F.P.	8/9	18	16½	Wright-Scriven (12½p)	17½	+¼	b12	1.8	8.8	7.8

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
:1	F.P.	—	123	110	Adeption new 8½% Conv. Uns. Ln. 90/95	110	......
£100	£10	20/1	13¾	10⅞	Agr. Mort. 9% Deb. 1979-82	13⅛	......
£100	£10	26/1	11⅞	10¾	Birm. (City of) 8% Red. Stk. '79-81	11⅞	+⅝
£98	£10	nil	[illegible]	⅛	Bristol Corp. 7¾% Red. Stk. '79-81	⅜pm	+⅝
::	F.P.	17/6	112	96	Butterley 10% Part. Conv. 1976	110	......
£100	F.P.	22/10	129	106	Cavenham 10% Partly Conv. '91-6	127	−2
£100	F.P.	82/10	104¾	101½	Do. 11% Uns. Ln. 1975	104¾	+¼
£100	F.P.	29/10	125	115	Concentric 10¾% Cnv. 1996	127	......
£100	£80	—	80½	80½	Comley & Pitt 8½% 1st. Mort. Deb.'90-5	80½	......
£100	£65	14/1	77¼	67	Distillers 10½% Uns. Ln. '93-8	77¼	+1¼
£100	F.P.	—	78½	78½	Dobson Pk. 8½% Deb.'87-92	78½	......
£100	F.P.	—	110	105½	Dowty 7% Conv. Uns. '86-91	107½	−½
—	—	14/10	115	95	Drakes 10½% Uns. Ln. 71/78	108	......
£100	F.P.	—	120	104	Do. 10½% Part. Con. Uns. 1976	120	......
£99	F.P.	1/10	111	101¾	Eastbourne Water 10½% Red. Deb. '95-7	111	......
**100	£25	12/11	36	35	Do. 10% Red. Pref. 1976	35	......
£100	£25	—	51	29¾	Essex Water 10% Deb. 1992-4	30½	......
£100	F.P.	29/9	107¼	100¾	Flag Inv. 10½% Deb. Stk. '91-6	108	......
£100	F.P.	—	113	106	Gilliatt Bros. 10% Sab. Uns. '91-6	118	+5
£100	F.P.	29/10	104¼	100¾	Grand Met 9½% Uns. '77/79	104¼	......
£100	£50	—	55½	48¾	Do. Do. 4¾% Cum Pref	88½	......
£100	£25	14/1	33	28½	Guinness (A.) 10% Uns. 1993-98	38½	+¾
—	F.P.	—	110	107	Heenan Beddow 10% PrtlyConv.Uns.Ln.1977	109	......
£100	F.P.	—	104¼	100	Int. Bank 8% 1976	104	......
£100	F.P.	—	102	98½	I.C.I. Int. Fin. 8% ST. D.M. Bds. '78-86	102	......
£100	F.P.	—	110	102	Kulim 10½% Conv. Uns. Ln. Stk. 92/97	110	......
£100	F.P.	1/12	106	100	Lewis & Peat 8% Conv. Sub. Uns. '79-81	106	......
£100	F.P.	—	111½	103½	Lon. & Mid. 8½% Conv. Uns. 1988-91	107	+1
£99	£30	13/12	32½	30¾	Nottingham 8% Red. Stk. '79-80	32	......
●£100	nil	—	22	14	Prop.Inv. & Fin. 6% Conv. '91-96	14pm	−8
£100	F.P.	3/10	124½	114½	Racal Elect. 6% Conv. '95-2000	121	......
£100	F.P.	28/1	98	96½	Sime Darby 10% Uns. Ln. 1978	95½	......
£100	F.P.	—	106½	101	Simonside Inv. 4½% Conv. Uns. 1976	102	+½
£100	F.P.	—	118	105½	Slater W. Inv. 8½% Part Conv. 1981	115½	+1⅛
††	F.P.	14/10	151	125	Tozer Kemsley 8% Conv. 1981	138	......
£100	F.P.	5/11	107	101½	Trafalgar Hse. 10½% Uns. Ln. 2001-6	105½	......
£50	F.P.	31/12	53½	52½	Yorks Chems. 10% Deb. 1991-6	53	+¼
£100	F.P.	22/10	108½	105½	York Water 10% Red. Pref. 1976	108½	......

"RIGHTS" OFFERS

Issue Price p***	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p***	+ or −
12½	F.P.	—	Bristol Plant	14¾	+¼
100	F.P.	—	Chalk & Sons	116	......
50	Nil	—	Coalit	64½	......
70	F.P.	—	Dutton-Forshaw	98	+½
88	F.P.	—	London & Lennox 'B'	94	......
15	Nil	—	Melekoff Rubber	1½pm	−½
47	F.P.	—	[illegible]	30	+1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. k Figures based on prospectus or other official estimate for 1969-70. p*** Pence unless otherwise indicated. ** Issued by tender. 1 Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights or way of capitalisation. †† Tender allotment price. ♣ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Provincial quotation. ♣ Introduction. ♠ Issued to former Preference holders. * Dealt in under Special Rule. ‡ Price at time of suspension.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

The giant U.S. conglomerate, International Telephone and Telegraph, has gained a foothold in the U.K. cosmetics industry through the purchase from Carlton Industries of 4.47m. shares, representing 71 per cent. of the equity capital, in Rimmel. Providing necessary governmental consents for the deal are obtained, ITT plans to offer terms for the outstanding balance producing the same cash price of 146½p for each Rimmel Ordinary.

Rycroft (Bradford) Holdings is in receipt of share-exchange terms from United Builders Merchants and directors of the former intend to accept in respect of their holding of the 40 per cent. of Rycroft shares which they control. Other holders are recommended to do likewise.

For shareholders in W. Wood and Sons, however, there is a more complex situation. Following the announcement that Wood had agreed to buy Associated Development Holding's luggage subsidiary, British Luggage Group, in exchange for shares which would give ADH a total stake of some 40 per cent. in Wood, Barrow Hepburn and Gale quickly made an offer for Wood, conditional upon the ADH deal not being effected.

Portsea Investments has acquired a 56 per cent. stake in John Loveys and will shortly make available terms of 17½p for each of the remaining shares, which have since risen in price to 27p. The Board of A. and S. Henry has switched its support from Great Universal Stores to United Drapery Stores whose fourth higher offer now has a cash alternative of 100p for each Henry share.

Merger negotiations between Standard Tyre and Brown Bros. and Albany have been called off; Sime Darby has gained control of Seafield Amalgamated Rubber; and opposition is growing to Cavenham's dual bids for Wright's Biscuits and Moores Stores. Grimshawe-Windsor has pulled out of the battle for Blaskeys (Wallpapers) and Company Developments has sold its 31 per cent. holding in P. J. Evans to rival bidders LCP Holdings, thus allowing its offer to lapse.

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
		Prices in pence unless otherwise indicated				
Alliance Prop.	110	107	111½	10.6	Cornwall Prop.	—
Allied Vintners	26	25	24	0.5	Grnhl. Whitly	9/10
Arbiter & Weston	72	68	43	1.9	Ladbr'ke Go.	28/10
Argylo Secs.	60*	105½	90	2.9	Slater Walker	—
Baker (J. C.)	50*d	55½‡	51	0.4d	Mr. A. J. Straft	—
Barclays Bk. Intl.	560d	553	450	97.4d	Barclays Bk.	5/11f
Blaskeys	40*	41	36	2.2	L'yl'nd Paint	19/10
Binestone & Elvin	41	39	30½	1.4	Tower Assets	—
Bovril	574	480	395	17.6	Cav'nh'm Fds.	—
Brit. & For. Gen. Secs. Inv.Tst.	95	89	73	8.6	Cedar Inv. Tst.	—
Cholo Holdings	115*d	115	77	0.2d	Eastern Prod.	—
Collett (J.)	61*d	65	64	1.7d	Lyon Group	—
Constable Hart	42½*d	42	23	1.2d	Thom. Roberts (Wstmnstr.)	—
Constellation In.	206	19	19	0.4	Hemdale	15/10
Constellation "A"	386	37	35	0.8	Hemdale	15/10
Dares Estates	8*	11	11	0.2	Freshwtr. Gp.	—
Dickwella	35*	65	75	0.04	Brisdan Props.	—
Evans (P. J.)	78	72½g	75	1.6	LCP (Hdgs.)	26/10
Fordath	187½	198	144	3.5	Hepworth Ceramic	15/10
Fordham (Hldgs.)	70b	77	63	2.4	Hepworth Ceramic	15/10
Henry (A. & S.)	100b	109	56½	10.8	Utd. Drapery	—
Henry (A. & S.)	88d	109	75	6.9d	GUS	20/10
Hollas Textiles	35*	35‡	35	0.6	Mr. A. R. Lawson	18/10
Irish Inv.Tst.	85½*	72	59	4.7	Slater Wlkr.	20/10
Limmer Hldgs.	31½	38½	31½	4.0	Tarmac	—
Lothian Inv. Tst.	40*	51g	40	0.7	Stndrd. C'tee	—
Loveys (John)	17½d	27g	18	0.2d	Portsea Invs.	—
Marawan (Java)	11*d	14	10½	0.06d	Cluff & Co.	15/10
Moores Stores	36*d	34½	35	4.2d	Cav'nh'm Foods	—
Newall Mach. Tool	27	38	27½	1.9	Tube Invs.	19/10
Northborough Inv.	72*	92‡	67	0.7	Mr. L. Lavy	—
Parway Land	84½	83	76	3.8	Ass. Dev. Hldgs.	21/10
Penguin Publishg.	411½d	410	290	14.2d	Pearson (S.)	28/10f
Qualitex Yarns	46d	45	43½	11.7d	Imp. Chem.	18/10
Reeves & Sons	184	175g	185	0.9	H'nan Bed'w	15/10
Rimmel	147½*	144	137	7.7	Intl. Telephone	—
Rochdale Canal	200*d	208g	161	0.8d	Town Centre Securities	—
Rycroft Hldgs.	110	107	90	3.8	Utd. Builders	—
Seafield Amal. Rbr.	58	59	51	14.6	Sime Darby	—
Settle Speakman	399½d	335	267½	1.4d	Eastn. & G'n.	12/10
Truscon	27*	29½	22½	1.1	Ionian Bank	—
Twyfords	132½	128	116	12.5	Reed Intl.	—
Westminster Tst.	79½	73	57	8.5	Land Secs.	19/10
Wigham-Rich'son	232	290	185	10.2	Slater Walker	—
Wood (W.) & Sons	54	63g	50	0.8	Barrow Hphrn.	—
Wright's Biscuits	45*	58	52	1.8	Cav'nh'm Foods	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. a Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 9/10/71. k Based on 7/10/71. ‡ At suspension.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* %		Dividends* %	
Amal. Inv.& Prop.	Mar. 31	1,485	(1,141)	36.2	(25.3)	25	(20)
Aurora Gear.	June 30	528o	(611)	36.3	(39.1)	20	(20)
Brooks Vantilat'n	June 26	239	(208)	26.6	(20.8)	14	(7)
Dalgety	June 30	3,448	(4,418)	9.9	(16.4)	10	(13)
EMI	June 30	8,968	(20,958)	12.9	(25.2)	12½	(17½)
Enots	July 31	334	(312)	21.7	(20.4)	13	(15)
Glenlivet	June 30	804	(532)	30.3	(28.8)	16	(15)
Leo Group	Dec. 31	1,426	(1,335)	120.6	(124.2)	30	(29)
Linread	July 31	447	(276)	33.4	(17.9)	19p	(16)
Perak River	July 31	2,234	(1,847)	39.8	(39.1)	22	(20)
Ramar Textiles	Aug. 30	49	(150)	9.7	(26.4)	10	(20)
Sandhurst Mktg.	June 30	122q	(97)	46.7	(34.9)	15	(—)
S. Simpson	July 31	457	(410)	15.1	(12.5)	17½	(17½)
Spark Hldgs.	April 30	807	(984)	56.4	(54.4)	37½	(35.42)
Thos. W. Ward	June 30	4,190	(3,380)	26.9	(22.4)	17½	(15)
W. Tyzack	July 31	168	(179)	30.1	(28.6)	15	(15)

Offers for sale, placings and introductions

City and County of Bristol: Issue of £5m. 7¾ per cent. Redeemable stock 1979-81 at £99 per cent.

Continuous Stationery: Offer for sale of 925,000 Ordinary 10p shares at 55p each.

Davies and Newman Holdings: Offer for sale of 1.133m. Ordinary 25p shares at 130p each.

Eaton Corporation: Application for quote of 18,206,629 $0.50 Common shares.

John Lewis Properties: Issue of £5m. 9½ per cent. Mortgage Debenture stock 1992-97 at £98 per cent.

Morgan Crucible: Issue of £4m. 9½ per cent. Debenture stock 1995-2000 at 99½ per cent.

Newcastle and Gateshead Water: Offer for sale by tender of 10 per cent. Redeemable Preference stock 1976 at a minimum price of £105 per cent.

Francis Parker: Offer for sale of 6,167,000 Ordinary 10p shares at 35p each.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* %	
Advance L'ndries	June 30	705g	(680)	4	(4)
Amey Group	June 30	1,190	(477)	5 l	(4)
Bonochord	June 30	146h	(78)	6	(6)
Bowthorpe	June 30	980c	(804)	9	(8½)
Bristol Street	June 30	507†	(547)	10	(10)
Bronx. Engrng.	May 30	153	(132)	8½d	(7)
Brown Bayley	July 3	212	(459)	3	(3)
A. F. Bulgin	June 30	257	(241)	10	(9)
Bunzl Pulp	June 30	2,697	(2,530)	8.96	(8.32)
Burmah Oil	June 30	18,930	(19,910)	6½	(6½)
Clayton Son	June 30	106	(148)	3	(3)
Clay Cross	June 30	221	(258)	8m	(7)
Courage	July 31	6,876	(5,674)	5½	(5)
Davidson	June 30	226h	(21)b	—	(—)
Dreamland Elec.	June 30	23b	(62)	10	(10)
John J. Dunster	June 30	127	(88)	8½	(6½)
Emo Wine	June 30	28	(7)h	—	(—)
John Foster	June 30	169	(243)	5	(5)
Fram Group	June 30	51	(69)b	—	(—)
Freemans	Aug. 14	1,401	(944)	7	(7)
Gaskell Chambers	June 30	273	(94)	2½‡	(5)
W. & J. Glossop	July 31	131	(120)	7½ †	(5)
G. & M. Power	June 30	91	(85)	13½§	(12½)
Hestair	April 30	4	(—)¶	Nil	(2½)
House of Lerose	June 30	321	(256)	4½	(4½)
Hunting Gibson	June 30	673	(407)	4½	(4)
S. Jerome	June 30	144	(177)	2½l	(2½)
A. A. Jones	June 30	312	(400)	6	(6)
Martin Walter	June 30	298	(189)	10n	(10)
Midland Elec.	June 30	682	(581)	4	(3½)
John Mowlem	June 30	664	(—)¶	—	(—)
Natl. Sunlight	June 30	77	(123)	3	(3)
Office & Electronic	June 30	237	(196)	7½k	(6½)
Pye Cambridge	June 30	1,757	(1,588)	—	(—)
Pye Hldgs.	June 30	543f	(352)f	3	(3)
Oliver Rix	June 30	46	(—)¶	Nil	(5)
Rowan & Boden	June 30	69	(74)	—	(—)
Royal Sovereign	June 30	151	(138)	5	(5)
Savoy Hotel	June 30	315	(423)	—	(—)
Sears Hldgs.	July 31	9,686	(8,161)	—a	(—)
Selincourt	July 31	519	(252)	7	(5)
Senior Engrng.	June 30	674	(627)	9	(7)
Smiths Ent'prises	July 31	136	(121)	13	(12)
Jefferson Smurfit	July 31	483	(381)	8½	(7½)
Storey Bros.	June 26	456	(322)	4½	(2½)
Streeters	June 30	103	(56)	10	(7½)
Tranmar	June 30	116e	(66)	17½	(—)
Utd. Builders	Feb. 28	1,806	(1,283)	7	(5)
Warne Wright	June 30	240	(217)	10	(6½)
Webb-Nash	June 30	23	(43)	7½	(7½)
Wilmot-Breeden	June 30	1,394	(1,115)	4	(4)

(Figures in parentheses are for corresponding period.)

* Adjusted for any intervening scrip issue. † Forecast £1.3m (£1.14m.). ‡ Forecast 5 (5) per cent. total. § Forecast 10½ per cent final after scrip. ¶ No comparative figures. a Dividend of 20 (16.64) per cent. already forecast. b Loss. c Forecast £1.96m. (£1.76m.) d Forecast minimum 27 (25½) per cent. total. e Made public June 1970. f Net attributable figure. g Forecast at least £1.55m. (£1.477m.) h Forecast not less than £350,000. i To reduce disparity. j Maintained dividend 14 per cent. anticipated. k Forecast 20 (17½) per cent. total. l Forecast 15 (12) per cent. total. m Maintained final 15 per cent forecast. n Forecast 25 (20) per cent. total. o After £86,832 Rolls Royce provision. p On "A" 1 per cent. dividend and per 100 6.165 (8.8235) per cent. scrip. q Made public March, 1971.

Scrip Issues

G. and M. Power Plant: One-for-two.
Streeters of Godalming: One-for-ten.
Taylor Woodrow: One-for-five.

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

New down-turn: Dow at 893.9

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Oct. 8.

THE market turned downwards in moderately active trading on Wall street to-day, as investors apparently remained confused over the impact of Phase Two of President Nixon's economic programme.

The Dow Jones Industrial Index closed at 893.91—off 7.89—approximately at the same level for October 1, having dived below the 900 mark again, and erased its rise of the last week. The Standard and Poors Industrial Index closed 0.78 lower. Declining issues led advances by 8 to 3. Volume reached 13.86m. shares against 17.78m. yesterday.

Treasury Secretary Connally held a news conference to-day to detail the Phase Two Programme but Wall Street apparently did not find his remarks encouraging enough to halt the market's downward drift.

One analyst said the market would have to wait to see how the commissions established by the President apply their guidelines and what effect they will have on the economy and individual companies.

IBM dropped $3¾ to $304¾, Disney $⅞ to $102⅜, Polaroid $1⅞ to $94½, Avon Products $⅞ to $96⅛, and Xerox $¼ to $115¼. Bausch and Lomb added $3¼ to $145¼.

Manufacturers Hanover lost $½ to $33⅞. *First National City was* unchanged at $39⅞. Bank of New York was off $⅞ to $40⅞ and Charter New York $½ to $33⅛. Chase Manhattan added $¼ to $51¼.

Ford moved against a downward trend in Motors, gaining $⅜ to $72¼. Chrysler lost $⅜ to $30⅞. General Motors $⅜ to $84¼.

Several airline issues performed well. UAL gained $1 to $43½, American $⅞ to $39, Braniff $¼ to $14⅜ and Eastern $½ to $19⅞. Pan American lost $½ to $9⅞ and KLM $⅞ to $33⅛.

General Electric lost $⅞ to 63⅞. American Telephone $⅛ to $44⅛. Dupont $⅞ to $155¼, Honeywell $1⅛ to $107, International Nickel $½ to $30, Sears $⅛ to $94⅞, Macor $¼ to $31⅞, Eastman Kodak $⅜ to $86⅞, and General Foods $½ to $34¼.

Natomas gained —— to $78. *Reading and Bates lost $1 to* $25¼, Jersey Standard $1⅛ to $70¼, Standard of California $1¼ to $55⅞ and Mobil $⅜ to $49¼.

The index lost 0.07. Declines led advances 531 to 322 on a volume of 3.89m. shares.

Active issues included Banister Continental up $½ to $12⅞, Syntex off $2⅞ to $69⅞, and Tesoro Petroleum warrants up $2⅞ to $25⅛.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.*	Util. ф	Trading volume† 000's
Oct. 8	71.48	241.59	893.91	114.30	13,860
7	71.30	242.82	901.80	114.14	17,700
6	71.22	241.19	900.65	113.18	15,650
5	71.21	253.68	891.14	111.96	12,560
4	71.11	257.56	895.66	111.87	14,670
1	71.07	257.86	895.98	110.81	13,400
Sept. 30	71.10	257.18	887.18	109.31	13,490
29	71.06	256.67	885.63	109.29	8,630
28	71.06	255.01	884.42	109.38	11,250
1971 High	71.98 (6/4)	248.55 (7/9)	950.82 (28/4)	128.39 (19/1)	—
Low	68.52 (4/1)	169.70 (4/1)	830.57 (4/1)	108.12 (27/9)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
ф All-time high 163.22 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Oct. 4	Sept. 24	Sept. 18 (970)
3.33	3.55	4.24

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Fri.	Thurs	Wed.	Tues.	Mon.
57.76 (28/4)	49.73 (4/1)	54.94	55.27	55.16	54.74	54.80

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,690	519	870	301

1970-71	Fri.	Thurs	Wed.	Tues.	Mon.
New Highs	60	88	58	55	61
.. Lows	32	51	37	49	38

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Fri.	Thurs	Wed.	Tues.	Mon.
26.69 (28/4)	22.72 (4/1)	25.67	25.74	25.68	25.58	25.67
Volume (000's)		3,890	4,860	4,055	3,330	4,280

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Oct. 8	109.66	99.38
.. 7	110.44	100.02
.. 6	110.24	99.11
.. 5	109.47	99.11
.. 4	109.61	99.21
.. 1	109.37	98.93
Sept. 30	108.73	98.34
1971 High	115.84 (25/4)	104.77 (25/4)
1971 Low	99.73 (4/1)	91.18 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	Oct. 7	Sept. 30	Sept. 30 1970
Industrial div. yield pc	2.86	2.91	3.54
Price-earnings ratio	17.82	17.48	15.67
Long-term Govt. Bds. yields pc	5.75	5.81	6.63

THURSDAY'S ACTIVE STOCKS

	Shares traded	Closing price	Change on day
Pan Am.	294,000	10	— ⅜
Glen Ald.	252,700	18⅞	+ ½
Litton	202,400	25⅞	— ⅛
Chrysler	176,800	31⅞	—
Lums Inc.	157,200	5⅞	+1⅞
Martin Mar.	129,400	20½	— ⅜
Plan Research	121,000	16⅞	— ⅜
Phila. Electric	119,300	22	+ ⅜
Amer. Tel. and Tel.	115,800	45⅛	+ ⅛
Standard Oil Cal.	108,200	56	— ⅜

TORONTO

INDUSTRIAL INDEX

Oct. 8	Oct. 7	1971 High	1971 Low
165.93	169.26	186.74 (2/11)	169.21 (29/9)

MONTREAL

INDUSTRIAL INDEX

Oct. 8	Oct. 7	1971 High	1971 Low
174.92	177.79	188.89 (20/4)	174.31 (29/9)

COMBINED INDEX

Oct. 8	Oct. 7	1971 High	1971 Low
172.96	175.81	184.05 (20/4)	172.85 (23/21)

* October 6 unavailable.

JOHANNESBURG

	Oct. 7	Oct. 8	High	Low
Industrials	174.8	174.0	212.4 (9/4)	165.2 (3/11)
Golds	70.3	70.1	99.3 (19/4)	68.8 (1/10)

(1958=100). Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av ge yield on 50 Leading Stocks	Oct. 2	Oct. 7	Oct. 6
On Dividends	5.76	5.75	5.77
On Earnings	9.76	9.76	9.77

SYDNEY ALL ORD. INDEX

Oct. 2	Oct. 7	High 1971	Low 1971
428.40	428.22	518.51 (4/1)	428.40 (8/10)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

Oct. 5	+ or —	Div. %	Yield %
179.22	—1.45	11.90	3.40

1971	High	Low
	208.19 (13/8)	148.88 (8/1)

EUROPE

	Oct. 5	Previous	1971 High	1971 Low
Belg'm (m)	97.71	98.03	108.74 (30/7)	92.14 (4/1)
France (bb)	67.4	67.4	79.2 (28/7)	67.4 (7/10)
Germany*	96.65	96.53	112.71 (23/2)	95.84 (21/9)
Holland (o)	105.9	104.6	120.0 (8/4)	103.9 (8/10)
Italy †	47.99	48.42	60.09 (6/3)	46.28 (28/9)
Sweden (p)	275.89	272.25	298.71 (23/6)	240.71 (6/1)
Switz'rl'd **	381.4	383.6	412.9 (14/9)	365.5 (4/1)

* Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1950. ** Swiss Bank Corporation Index base 100 December, 1968. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1958 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1958. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

OTHER MARKETS

Canada lower

Prices closed sharply lower in moderate trading on Canadian Stock Markets yesterday. The Toronto industrial index lost 3.33 to 165.93.

The Montreal industrial index lost 2.87 to 174.92.

PARIS—Mixed in fairly active dealings. Banque d'Indochine, Cie Bancaire rose. Constructions and Engineerings tended mostly lower.

Foods, Stores were narrowly mixed, Oils higher. Motors were well disposed.

BRUSSELS — Lower. Societe Generale, Sofina, Arbed, Electrobel, Cockerill, Acec lost ground.

Canadian Petrofina eased. Germans, Golds were narrowly irregular.

MILAN—Mixed to lower. Industrials fell partly on the layoffs at Fiat. Pirelli Spa, Montedison lost ground. Financials continued at the centre of activity, with Bastogi gaining.

SWITZERLAND—Continued yesterday's decline. Banks and Swissair lost ground. Financials were virtually unchanged.

In Insurances small losses predominated. Ciba-Geigy Bearer and PC in Chemicals were under selling pressure.

AMSTERDAM—Narrowly mixed. Unilever was firm. In local Industrials, Albert Heijn staged a recovery, with Heineken, OCE-Van der Grinten lower. Investment Funds lost ground.

GERMANY—Mixed to slightly higher in hesitant trading. Banks gained, led by Dresdner Bank. Leading Chemicals and Electricals were narrowly mixed.

COPENHAGEN—Little changed in moderately active trading.

OSLO—Banks, Insurances and Industrials tended lower. Shippings quiet.

VIENNA—Steady in quiet trading. Buildings tended firmer.

STOCKHOLM—Maintained.

JOHANNESBURG—Quiet with only nominal price changes. De Beers traded actively. Golds eased slightly.

TOKYO—Quietly easier.

Export-oriented items to lose ground included Sony, Nippon Kogaku and Matsushita Electric. Constructions and Housing-related items also eased.

AUSTRALIA—A rise in Queensland Mines and Kathleen Investments highlighted trading in an otherwise easier Mining sector. *Oils* improved and Industrials were narrowly mixed. Queensland closed 60 cents higher at $3.90 and Kathleen 35 cents up at $2.85.

Poseidon continued to lose ground, dropping 90 cents to $11.10.

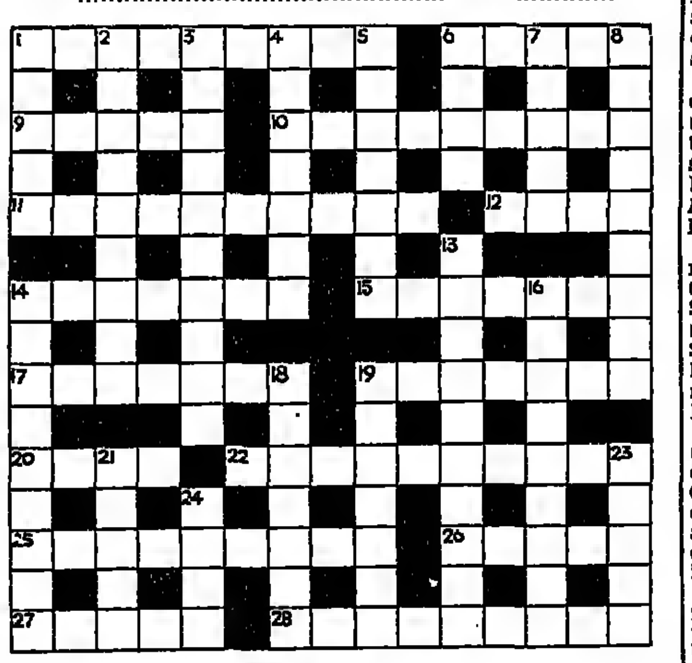
F.T. CROSSWORD PUZZLE NO. 1,688

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



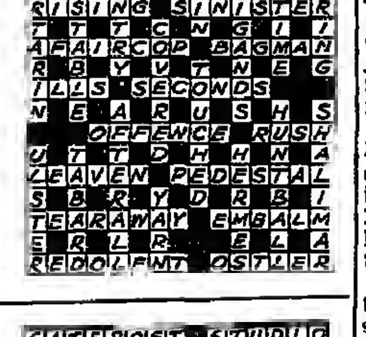
ACROSS

1 Collapsed when praised (7, 2)
6 With which a poser makes an impression (5)
9 Butler maker entertains honoured companion with teapot (5)
10 Last nobleman on record (4, 5)
11 Cut out obligation to pay tax (6, 4)
12 Distinguished man concealed by Father O'Reilly (4)
14 What Archimedes requested in order to move the earth (7)
15 Money required (7)
17 A looser form of spray (7)
19 Ship spreading infection (7)
20 Annoyed in this way by engineers (4)
22 Reduce employment except for one party (4, 6)
25 Habit of modern speech (9)
26 Bore makes doctor sick (5)
27 Church in foreign parts presents a ridiculous spectacle (5)
28 Olive looked jealous (5-4)

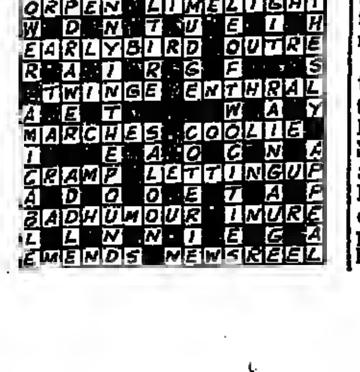
DOWN

1 100 hurt in store . . . (5)
2 . . . belonging to Uncle (9)
3 Station where royalty has to change (5, 5)
4 Ground dominated by Grace? (7)
5 Kept going as they say to northern town (7)
6 Wine in the heat (4)
7 Oaths a sailor has to employ (5)
8 No masterpiece could land author in the soup (3-6)
13 Most disorderly part of zoo (4, 6)
14 Pole organises go-slow by workpeople (9)
16 Lightness? Go to Livy for it (9)
18 Tendency towards cant (7)
19 Can eels turn out to be a wash-out (7)
21 Additional recommendation for a jockey (5)
23 Lead lined (5)
24 Top of the hill I am (4)

SOLUTION TO PUZZLE No. 1,687



SOLUTION AND WINNERS OF PUZZLE No. 1,682



Following are the winner of last Saturday's prize puzzle.

Mr. K. P. P. J. J. Dos Passos, 94, Waverley Road, Stoneleigh, Epsom, Surrey.

Mr. C. M. Harden, 40, Lancet Lane, Loose, Maidstone, Kent.

Mrs. D. W. Trevor, Montaza Cottage, Pool Lane, Walton, Warrington, Lancs.

RACING

One Pint for me

by DARE WIGAN

TWO MEETINGS on the flat to-day, at York in the North, and Ascot in the South, both stage strong programmes, and several high-class fillies, including the Ribblesdale Stakes and Yorkshire Oaks winner, *Fleet Wahine*, contest the Princess Royal Stakes at Ascot (2.30).

Since winning over course and distance here at the Royal meeting, *Fleet Wahine* has travelled to Longchamp, where she made no show behind the brilliant French fillies, *Pistol Packer* and *Cambrizzia* in the Prix Vermeille.

Noel Murless runs two in this race, the American-bred *Hill Circus*, who won the Sun Chariot Stakes over 1¼ miles at Newmarket last Saturday, and *No Surtax*, who, however, is held by *Boulette*, judged on their running in the Park Hill Stakes at Doncaster.

Old Gol and *Sofonisba* are both useful, but I doubt whether either is up to this class. *Hill Circus*, like most of the progeny of the American sire, *Hillary*, is a late developer, and Murless's decision to run her again so soon is significant.

I think that she will be too good for *Fleet Wahine* at level weights, and I believe she will be capable of conceding 6 lbs successfully to *Boulette*, though Wragg's filly is likely to be a real danger and ought not to be ignored in Jackpot permutations.

Deep Diver and *Mansingh*, ridden by W. Williamson and Lester Piggott are engaged in a match for the Cornwallis Stakes (3.35), and the prospect of watching these two exceptionally fast two-year-olds, ridden by two of the greatest contemporary jockeys, is in itself an inducement to visit Ascot this afternoon.

On St. Leger day at Doncaster, *Deep Diver* and *Mansingh* were cut down by *Rose Dubarry* inside the last furlong of the Norfolk Stakes after they had looked to have the race between them.

They finished second and third, separated by a length, and seeing that each was ridden to beat the other, it is fair to assume that *Deep Diver* will confirm his superiority this afternoon.

Noel Murless has done fantastically well with the horses in training owned previously by Lady Sassoon, and acquired by Mr. Louis Freedman, as part of a package deal involving all Lady Sassoon's bloodstock interests in this country (the purchase price is said to have been approximately £750,000).

He runs *Cote d'Azur*, a bay colt by *Crepello*, in the Sandwich Stakes (4.35), and *Cote d'Azur* has been hailed as a potential champion.

However, Noel Murless told me at the last Newmarket meeting that a report that *Cote d'Azur* was six lengths better than *Yaroslav* was absurd. I was not surprised by his protest, for Murless does not gallop his two-year-olds together in order to determine their ability.

I got the impression that though he believes *Cote d'Azur* is a promising colt he is not, at this stage at any rate, to regard him as being the equal of *Yaroslav*, of whom he has great expectations.

Cote d'Azur may win to-day, but in view of the publicity he has received, the probability is he will start at a false price, and I would sooner take a chance with *Buss*, a filly by *Busted*, trained by Arthur Budgett, who won well on her first appearance at Goodwood last month.

At York, there is the prospect of a competitive race for the Holmark Coin Equipment Handicap (2.45) run over 1¾ miles. *Knotty Pine*, winner of the Johnnie Walker Ebor Handicap at York, carries top weight of 9 st 8 lbs.

But he is set to concede 4 lbs to *Gloucester*, who, receiving 8 lbs, defeated him by three lengths in the Great Yorkshire Handicap here on September 8.

Judged on that running, *Gloucester* ought to come out the better again this afternoon; but since then *Gloucester* has been well beaten here at Ascot by *Sol d'Argent*.

In fact, the one I like is *Petty Officer* who, admittedly, finished fourth—a long way behind *Gloucester* and *Knotty Pine* in the Great Yorkshire Handicap.

But *Petty Officer* was left with an impossible amount of ground to make up on the leaders that day and now meets *Gloucester* on 7 lbs, and *Knotty Pine* on 3 lbs better terms, in addition to which he has since defeated *Melody Rock* at level weights in a valuable race for amateur riders at Longchamp.

Probably the best bet at York this afternoon is *One Pint* in the Marston Moor Stakes (2.15). Mr. Stanhope Joel's filly will be up against *Buffo*, who is useful, and who is guaranteed to stay seven furlongs.

But *One Pint*, who finished second to *Our Mirage*, winner of the Prix de la Salamandre at Longchamp last month, receives 20 lbs from Henry Cecil's colt, and unless there is something radically wrong with the form, *One Pint* looks certain to win.

ASCOT

2.00—Rotisserie
2.30—Hill Circus*
3.00—Nice Music
3.35—Sayroy
4.35—Buss
5.05—Epernay

YORK

2.15—One Pint***
2.45—Petty Officer**
3.15—Galiano
3.45—Solo Performance
4.15—Vienna Love

OVERSEAS SHARE INFORMATION

Investment $ Premium (based on $2.40 per £1) 20⅛% (21⅛%)

NEW YORK

RAILROADS

INDUSTRIALS, ETC.

PUBLIC UTILITIES

TRUSTS, BANKS & BONDS

TORONTO

MONTREAL

GERMANY

PARIS

MILAN

AUSTRALIA

AMSTERDAM

BRUSSELS

TOKYO

Source Nikko Securities, Tokyo. * Osaka Exchange.

SWITZERLAND

STOCKHOLM

OSLO

VIENNA

COPENHAGEN

JOHANNESBURG

MINES

INDUSTRIALS

NOTES: Belgian dividends are shown after withholding tax.
ф F 500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issues. k After local taxes. m % tax free. n Francs: including Unilac div. p Nat. s Div. and yield exclude special payment. t Indicated div. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. u Unofficial trading. z Assumed. xr Ex-rights. q Share split.

TORONTO

MONTREAL

STOCK EXCHANGE REPORT

Leaders consolidate as second-line equities go ahead

Index down 1.5 on the day at 420.8 but up 13.9 on the week

ACCOUNT DEALING DATES

*First Dealings	Option Declarations	Last Dealings	Account Day
Sept. 20	Sept. 30	Oct. 1	Oct. 12
Oct. 4	Oct. 14	Oct. 15	Oct. 26
Oct. 18	Oct. 28	Oct. 29	Nov. 9

* "New time" dealings may take place from 5 p.m. three business days earlier.

Despite some easing back in the leaders yesterday from Thursday's best levels of the week, the undertone remained very firm. Selling was slight and more of a two-way trade took place. The Financial Times Industrial Ordinary share index, down 2.1 at noon, closed 1.5 lower on the day at 420.8. This left a net rise on the week of 13.9, a sizeable clawback from the previous week's loss of 20.6, and reflected a change of heart on the part of buyers who were encouraged by the large increase in hire purchase figures for the month of August and the optimistic report by the Confederation of British Industry in its survey of industrial activity.

Good features were plentiful in second-line equities, many of them in response to trading statements and bid situations. Stock shortage was possibly more acute in these issues than in the leaders and was definitely so in the case of Blackburn Assurance which jumped to £13 before ending 2¼ up at £11 on news that talks were taking place with Slater Walker which may lead to an offer. Marked bargains for the day of 11,902 were well up on Thursday's 11,182 total and only surpassed this week by Monday's figure of 12,226.

In percentage terms the Industrial Group of the main F.T.-Actuaries indices was unaltered at 172.70m. while the 500 Share, 186.34, and the All-Share, 184.13, were both a shade higher.

Gilts firm

Following the previous day's bout of uncertainty caused by the Treasury ban on foreign buying of Government securities, British Funds put on a good performance with prices advancing throughout the list. Interest centred mainly on the mediums where some good buying left gains up to ⅜. Similar rises were also seen in the longs. In the shorts, Treasury 6¾ per cent., 1976, stood out with a rise of ⅛ at 100⅝, while Exchequer 6¾ per cent., 1976, gained a similar amount to 100⅞. A good business was seen in Corporations. Active trading in the new 7¾ per cent. Bristol Corporation issue left the price ⅛ higher at 100½ for the £10-paid stock. Although little altered, there was a fair amount of buying interest shown for Southern Rhodesian stocks.

Recent Fixed Interest issues were firm and fairly active, with Distillers 10½ per cent. Loan ending 1¼ better at £77¼. Dealings commenced in Morgan Crucible 8½ per cent. debenture, 1995-2000; issued at £99½, the £25-paid stock opened at £27½ and closed at £28¼ following a reasonable day's business.

Revived rumours that the 25 per cent. surrender on investment dollars to the U.K. Treasury would soon be abolished brought a late reaction in the premium to 20¾ per cent., down ½ on the day.

Following Thursday's strong showing, Home Banks recorded fresh gains of about 8p initially, but turned off to end mainly easier on the day after a fair business. Barclays were finally 9p down at 586p, after 602p and Lloyds 6p off at 588p, after 602p. British Debt Services rose 13p to 205p in Hire Purchases, but Mercantile Credit, at 212p, gave up 5p of the recent advance.

Blackburn Asnce. up

Blackburn Assurance moved into the limelight in mainly quiet Insurances, closing with an advance of £2¼ at £11, after £13, on news of the bid talks with Slater Walker; the latter ended 5p firmer at 310p. Sun Alliance, at 525p, were a further 7p up, while similar rises were seen in Pearl, 290p, and Phoenix, 271p.

Breweries drifted lower in the absence of buying interest, Watney losing 4p at 147p. Elsewhere, Associated British Maltsters advanced 10p to 113p on Press comment, but Williams and Humbert dipped 11p to 107p awaiting further news regarding the bid approach.

Building issues continued to make progress with sentiment helped by the cut in Building Society interest rates. Gains in the region of 6p to 8p were seen in Taylor Woodrow, 337p, L. Fairclough, 372p, W. C. French "A", 314p, and Northern Developments, 135p. Feb (G.B.) were outstanding at 66½p, up 10½p. Cohen and Wakeling picked up 4p more at 67p, but Amey Group, after Thursday's rise of 13p on the increased first-half profits, came back 6p to 108p.

I.C.I. reacted 6p to 315p, but Yorkshire Chemicals jumped 12p to 260p on buying in a thin market.

Television issues passed another good day, helped by the satisfactory Thames TV results. Granada "A" advanced 13p to 408p, while A.T.V. "A", 193p, and Rediffusion, 80p, put on 3p apiece. British Lion improved 5p to 63p.

Leading Stores moved narrowly and closed little changed. Marks and Spencer shed 1p more to 303p ahead of next Tuesday's interim results. Crowe Wilson were dull at 131p, down 4p, but Army and Navy gained 6p to 226p. On further consideration of the interim figures, House of Lerose rallied 3½p to 112p, while Steinberg were 5p better at 65p to the accompaniment of vague bid talk.

Empire Stores react

In Mail Orders, Empire Stores were a notable dull feature at 326p, down 11p, ahead of Monday's interim figures. Grattan Warehouses were also dull at 275p, 5p lower. In contrast, gains of 2p and 3p respectively occurred in MFI Warehouse, 212p, and Halwins, 260p.

Following the previous evening's 16p advance on the better-than-expected preliminary statement, EMI eased to 154p but finished only 1p off on the day at 157p after a reasonable turnover; the 8½ per cent. Convertible Loan, 1981, closed £6½ up at £109. Other leading Electricals were rather quiet, but Reyrolle Parsons, at 88p, recouped 3p more of the recent sharp setback. Elsewhere, bright spots were provided by Newman Industries, 85p, and Aerialite, 102p, up 8p and 4½p respectively to new 1971 peaks. Farnell Electronics improved 6p to 235p, but falls of about 3p occurred in Crabtree Electrical 147p, Ever Ready, 212p, and Rotaflex, 90p.

While leading Engineerings consolidated Thursday's improvements second-line stocks made numerous, and sometimes sharp, advances. Helped by an investment recommendation, Walker Crosweller jumped 20p to 180p, after 193p, while T. W. Ward, 385p, and Hattersley Stelrad, 220p, gained 11p or so. George Cohen were active at 95p, up 6p, and similar rises were seen in both Butterly, 94p, and Lake and Elliott, 124p. Linread "A" attained a 1971 peak of 80p before closing unchanged on the day at 76p, while W. G. Allen, 88p, and Haden Carrier, 250p, rose 10p and 8p respectively. BSA, however, slipped back to 22½p on the redundancies and proposed capital reconstruction. In Machine Tools, Startrite gained 6p to 60p following the results, but Meggitt lost 3p at 11p. Brown Bayley at 57p, regained 12p of the previous day's late loss which followed the depressing half-time statement.

Johnson Matthey good

Demand in a restricted market prompted a rise of 25p to 280p in Johnson Matthey and Wm. Cory were notable for a rise of 16p at 376p. Another active day's trading in Rank Organisation "A" left the price 15p lower at 720p. "Mams" met profit-taking and reacted 8p to 150p, but Robert Stigwood advanced 7p to 106p on speculative inquiry. Geo. Ewer were active and closed 3½p higher at 18½p, while good buying of Caravans International brought a 6p rise to 79p. Metropolitan Gas Meters gained 2p at 65p on news of the bid from Thorn Electrical. Following the respective results, Lawtex improved 2p to 35p and Sidroy 1½p to 11½p. Gestetner "A" were dull at 185p, down 10p, but Harrisons and Crosfield responded to Press comment with a rise of 5p to 765p. In a thin market, Lep Group fell 14p to 198p after the results.

In firm Feeds, Bowyers advanced 11p to 167p on buying in a thin market, while Fox's Biscuits, 53p, and British Sugar, 355p, put on 8p and 13p respectively. Associated Biscuit improved 7p to 362p, while gains of 3p were seen in Freshbake, 18½p, and Danish Bacon "A," 178p. On the other hand, S and K Holdings shed 1½p more to 68p, while Wright's Biscuits, 54p, on the bid situation, closed 4p lower. In Supermarkets, Tesco, 78½p, and Pricerite, 48p, both ended 2p easier.

Centre Hotels attracted support and rose 8p to 233p, while Palace and Derby were 2½p dearer at 22p. After dipping to 72p, Mario and Franco rallied to close 3p off on balance at 77p.

Motor features were scarce. British Leyland made headway to close 1½p higher at 47p and, in Garages, Martin Walter rose 4p more to 98p on the intention to restore the 1968 dividend rate. Lex Service improved similarly to 300p, while Wingard were notably firm in Components, rising 3½p to 19p.

Speculative buyers were scenting possible bid situations in Bernard Sunley, up 13p at 230p, and in International Property, which rose 2½p more to 12¼p, after 13p. Elsewhere in Properties, Oddenino's gained 8p further to 368p and, on the sharply higher interim profits, London Housing improved 3p to 90p. Star, 302½p, and Town and Commercial, 146p, were also 3p better. Following the full accounts and chairman's statement, British Land eased 2p to 129p, while profit-taking left Edger Investments 4p lower at 181p.

Peter Dixon rose 7p more to 170p, still in a thin market, but other Papers tended easier. Newspapers also moved lower, with News International non-voting shares closing 3p cheaper at 200p. Wilson Bros. ran into speculative support and gained 3½p at 35½p, while Dolan Packaging improved late to 31p, up 3p, on the results and statement. Dealings in Clyde Paper were temporarily suspended pending clarification of the company's position with the price at 8½p.

N. Sea news helps BP

Publicity given to British Petroleum's testing of its third well on the North Sea Forties field made for a firm trend in the shares, which closed 10p up at the day's best of 618p. Elsewhere, the trend was easier, Ultramar losing 9p at 290p on unfavourable Press comment and Trinidad Canadian easing 4p to 172p on profit-taking. Burmah, after touching 425p, closed unaltered on balance at 420p, while Shell ended 1p down at 357p.

Tokengate Investments showed firmness with a rise of 9p at 227p, while BET Deferred ended 3½p better at 139p. Stanhope Trust moved up 25p to 650p. London Merchant Securities, however, closed 2½p off at 26p following the annual results. Financials recorded few movements worthy of note. Two small firm spots were Cranleigh Group, 2p up at 11p, and International Securities, 3p better at 14p.

Shippings were quiet again. Hunting Gibson, however, recorded an advance of 11p at 168p in response to the interim statement. P. and O. Deferred saw a reasonable business and improved to 155½p, before closing 3½p up on the day at 153½p.

It was a quiet day in Tobaccos with prices inclined easier, where altered.

In Utilities, Perak River Hydro continued to respond to the increased dividend and profits, rising 8p more to 260p.

Guthrie Corporation were outstanding in quietly firm Rubbers for a fresh advance of 10½p to 249p, making a rise on the week of 28p. Chersonese were 3p better at 36p. Teas mainly held steady in thin trading.

Activity in Mines

There was a fair amount of business in the Mining markets. The most active stock in London, both yesterday and on the week, was RTZ which closed only 1p up on balance at 200p.

Second on the active list yesterday were De Beers which closed unchanged at 198p as profit-taking matched fresh buying; on the week the shares have gained 21p in response to the news of an increase in diamond prices.

Gold Fields, whose results are due on Tuesday, eased 2p to 183p while Selection Trust lost 10p to 610p. In front of the latest statement, Lonrho rallied 5p to 61p after having been earlier unsettled by the Board resignations. Golds moved irregularly.

Australians were firmer in places after further losses earlier this week. A fair two-way business was reported in Poseidon which rallied to 575p before closing 25p up at 550p; the shares have come back from 650p this week on a sizeable selling order which is now believed to have been completed.

Whim Creek recovered 18p to 134p but were still 34p down on the week as a result of Irish and Canadian selling.

Elsewhere, Tara Exploration weakened to 395p before closing 40p down at 625p on Irish selling. ZCI eased slightly to 38p following the first quarter's dividend of 2p.

FINANCIAL TIMES STOCK INDICES

—	Oct. 8	Oct. 7	Oct. 6	Oct. 5	Oct. 4	Oct. 1	A Year ago
Government Sec.	79.14	78.61	78.67	78.90	78.86	78.54	76.68
Fixed Interest	72.87	72.74	78.66	78.69	78.60	78.44	76.17
Industrial Ordinary*	420.8	422.3	412.1	412.6	404.8	406.8	375.4
Gold Mines	47.3	47.3	47.1	47.0	46.0	45.6	50.0
Ord. Div. Yield pc.	3.68	3.66	3.72	3.72	3.22	3.21	4.50
Earnings Yield pc (a)	5.62	5.67	5.26	6.22	3.96	5.94	2.22
P.E. Ratio (a)	17.37	17.64	17.02	17.08	12.72	16.84	12.69
Dealings Marked	11,902	11,182	11,622	11,206	12,992	11,120	2,508

*10 a.m. 421.6 11 a.m. 421.3 Noon 420.9 1 p.m. 420.6 2 p.m. 420.3 3 p.m. 420.4

(a) Based on 40% corp. tax from March 30, 1971. Latest Index [illegible]

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	79.30 (27/9/71)	68.83 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	72.87 (8/10/71)	69.63 (4/1/71)	150.0 (28/11/47)	67.19 (11/6/63)
Ind. Ord.	430.8 (7/9/71)	305.3 (3/3/71)	521.9 (19/9/68)	49.4 (28/6/40)
Gold Mines	61.3 (19/5/71)	43.6 (1/10/71)	100.0 (12/9/55)	44.6 (13/1/70)

S.E. ACTIVITY

—	Oct. 2	Oct. 7
Daily—		
Gilt-Edged	211.6	193.3
Industrials	423.7	327.0
Speculative	200.4	177.9
Totals	276.9	254.3
5-day ave—		
Gilt-Edged	213.3	210.9
Industrials	412.0	406.9
Speculative	202.9	200.0
Totals	264.7	261.3

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

OFFSHORE AND OVERSEAS FUNDS (p★★★)

§ Yield %

Albany Management Co. Ltd.
Utility Hs. PO Box 482, Hamilton, Bermuda
Albany Fund Ltd. £5.00 £5.38 ..... 1.00

American Express Inv. Mngmt. Co.
154, Edward St., Brighton, O.K. BRI 85401
Am Ep's Int. Fd. $9.23 9.83 +0.01 —

Eurosyndicat Group
Eurounion Lux F. 1,769 1,838 ..... 3.43
Finance Union Lux F. 480 400 ..... 6.41
For Sterling Dealing Prices contact London Agents N. M. Rothschild & Sons, Ltd. 626 4356, Hill Samuel & Co. Ltd. 628 8011.

Jardine Fleming & Co. Ltd.
22, Pedder Street, Hong Kong.
JardineEast'nFd† HK$140.98 ..... 2.85
NAV Sept. 30. Next sub. day Oct. 29.
Jardine Japan F. HK$138.72 ..... 1.44
NAV Sept. 30. Equiv. $U.S.22.63 [illegible]

Save & Prosper Distributors Ltd.
P.O. Box 1434, Hamilton, Bermuda.
Dollar Fund £4.87 5.33 ..... —
Hampstead £6.43 7.03 ..... —
‡Monitor £4.49 4.21 ..... —
S. & P.J.J.F. US$15.10 14.32 ..... —
Sterling Fund £4.36 4.77 ..... —
Prices on Oct. 4. Next dealing Oct. 11.

[illegible]

AUTHORISED UNIT TRUSTS (p★★★)

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

Retirement & Security

FINANCIAL TIMES SURVEY

Need for proper planning

By DRYDEN GILLING-SMITH

If you are in your twenties, one quarter of your remaining years are likely to be spent in retirement. If you are older the proportion will be greater. In either case it will increase with startling rapidity until the day when you must band over your job to someone younger than yourself.

Planning for retirement is not therefore something that you can put off until you are old. If you do so you will probably find that the opportunity to do anything at all will be pretty limited hecause a worthwhile income in retirement means accumulating a capital sum of between seven and ten times your annual earnings hy the time you stop work. How many people can save this sort of sum out of taxed income?

Fortunately a very large proportion of the U.K. population is now ahle to do this saving in a relatively painless way througb occupational pension schemes. With the 1971 Finance Act it is much easier than it was for the self-employed to save for retirement. In addition practically everyone sbould bave a minimum income in the form of a State pension.

Company pension schemes, however, vary widely, starting with the scheme where you get two-thirds of your pre-retirement earnings at 60, after perhaps 20 years' service with the firm, plus e continuing widow's pension of balf your own pension, combined with automatic provision for escalation so that purchasing power is retained during e period of runaway inflation, a disability pension of two-thirds pay if you suffer e breakdown in bealth or lnjury earlier in life and widow's pension cover of say one-third of your salary should you die young.

Anyone who takes e job with pension rigbts should attempt to make soma objectiva assessment of the value of these rigbts, preferably wben he first takes the job rather than when he retires or leaves. Pension rights are an integral part of earnings. If you assess their value on the basis of how much you would have to save yourself in order to get a given amount of pension at the end of the day, then yon are in a position to taka a mora measured view of the value of your company pension rights.

Tax savings

Ideally, you ought to be able to say that these rights are perhaps worth a 20 per cent. addition to pay. In some cases they are worth a *50 per cent.* addition to pay and whereas a 50 per cent. increase in salary might well go in large part to the tax man this extra mooey paid into a pension scheme should not suffer tax and, what is more, the interest, dividends and capital gains earned on these retirement savings should also be free from tax.

Attempts by employees even at fairly senior levels to measure the value of their company's retirement benefits have been too few and far between. One of the reasons for this has perbaps been that no one likes thinking very much about growing old. In other cases it may have been that there seemed to be so many areas of uncertainty surrounding the ultimate payment of a pension that it hardly seemed worth counting one's chickens et too early a stage. One of the most discouraging factors in the situation for the employee has tended to be the fear that he would lose his pension rights altogether—or et least everything except a return of his own contributions less tax—if he changed his job, and who can be certain of remaining in the same firm right up to 60 or 65?

Up to now about a third of the employees wbo leave private-sector occupational pension schemes have done so in the certain knowledge that they can keep their pension rights without any strings. Planning for retirement for the other two-thirds should he made easier as a result of the announcement in the recent Government White Paper on pensions that all company schemes must after 1975 allow their employees to keep their full pension rights on change of job.

Technical complexity bas been used for too long by earlier governments as a reason for not introducing this long-overdue reform. The present Government has got round the problem hy proposing to entrust the task of *seeing fair play* to an Occupational Pensions Board that will be set up to do this.

Apart from this key promise to guarantee preservation of pension rights on change of job the White Paper proposals should make it easier to plan for retirement in a number of other ways. For some years there has been uncertainty es to what the State intends to do.

Out of control

Up to now the solution of successive governments hes been to go on increasing contribution rates more rapldly than benefits and to plecate the contributors by the promises of bigger and better pensions to come. As time goes on these promises come home to roost and even more money has to be found to meet them. The State scheme was therefore caught up in e spiral whicb would have led sooner or later to the State pension scheme getting totally out of control and replacing to a greater and greater extent benefits which more and more people were able in any case to provlde for themselves through their company schemes.

What the White Paper proposals do is to adopt e policy of limited liability for State pensions in future. It proposes for example that the present flat rate single person's State pension of £6 a week (£9.70 for man and wife) will be guaranteed in terms of its present purchasing power hut that any increases beyond this will he purely discretionary and depend on the general economic health of the country at the time. This means that you can consider the present levels of flat-rate State pension *in* relation to your present living standards, knowing that whatever money values may be at the time you retire you should be ahla to count on this same constant contrihution to your living costs.

The State graduatad schame is to be wound-up by 1975 but you will, of course, get the amounts of pension which you have earned hy any State graduated contributions you have paid up to thet date. The amounts concerned are likely to he relatively small, and you should have received from time to time certificates from the Department of Health and Social Sacurity *setting* out the number of units of 2½p per week standing to your credit.

For people who are not in occupational schemes, or rather for people not in *recognised occupational schemes, there will* be a State Reserve pension scheme into whicb you will pay 1½ per cent. of yonr earnings up to a ceiling of 1½ times national average earnings (at present *this ceiling is* estimated by the Government as £42 a week) and your employer will have to pay 2½ per cent. of the same earnings band. Unlike the money paid into the basic national insurance scheme this State Reserve money will be invested hy an independent outside body. It is boped that this system should make it politically very difficult indeed for future governments to monkey about with the return you get on your money. The Reserve scbeme should carry a guaranteed minimum interest earnings of 4 per cent. but bonuses will he edded based on the actual investment performance of the fund.

You do not have to go into the State Reserve scheme if you ere in a recognised occupational scheme and to be recognised sucb a scheme must provide you with e minimum pension of 1 per cent. of your PAYE earnings for each year of pensionable service, plua a 50 per cent. widow's pension, plus provision for automatic escalation of benefits after retirement.

Thase are minimum standards and although they may fall well helow what is currently provided in the hetter occupational pension schemes they sbould lead to substantial improvements being made in many of the poorer schemes.

Independent body

One of the most important proposals in the current government package is the Occupational Pensions Board. This is to he an independent body set np by statute and with e constitution parallel to that of say tbe BBC or the Bank of England. The Board will he made up of both pensions specialist and representatives from employer end employee organisations. It will be responsible for recognising occupational pension schemes and it is only by obtaining recognition that employers and employees will be excused paying the combined 4 per cent. contrihutions to the State Reserve scheme.

By granting recognition the Board will in effect be applying minimum standards to occupational schemes. Up to now the Government, througb the medium of the Superannuation *Funds Office* of the *Inland* Revenue, beve only been concerned with preventing employers from doing too mnch, not too little.

The Board will also be given an important role to play as e court of eppeal for employees who are in dispute with their employers as to the amounts of pension to which they are entitled or on questions of how the rules sbould be interpreted.

All these changes should bave the combined effect of bringing our future pension expectations into a realm where we can plan with mnch greater certainty. But this of course means that we are likely to have no one else to blame than ourselves if we are unfortunete enough to suffer penury in old age—either because we have wanted to eat too mucb of our cake earlier on or because we have been too *bone*-idle to do the necessary financial planning.

Life policy selection

By JOHN WILLIAMS

Most people tend to think of life assurance as something that ls finished and done witb by the time they retire. Nevertheless there are a numher of insurances which e retired person can expect to be maintaining and it is important that these should be kept under review at regular intervals even though the amount of money involved may be much less than in earlier years.

One type of policy maintained by most retired people is whole-life insurance. This is widely bought by people wbo may bave perfectly good pensions themselves hut where there *is an* obvious need to provide a continuing income for a wife or other dependant. Women on average live longer than men end wives are usually younger than their husbands so that retirement planning does mean facing the prospect of a wife having to live on her own for the last six or seven years of ber existence.

Widow's half

The best company pension schemes now give a widow's pension of half the employee's pension but will even a half pension he enough for a widow to live on alone? House maintenance, rates and beating will cost as much for one es for two and there are many other items of expenditure, such as keeping a car on the road thet will continue unchanged if the same standard of living is to be maintained for the survivor. A 50 per cent. widow's pension, even if your pension is the maximum that the Inland Revenue will allow, will only be one-third of your pre-retirement pay (the Inland Revenue maximum for you is two-thirds of pre-retirement pay).

If you yourself survive until 78—your normal expectation of life at 65—then the real value of a widow's pension will have shrunk from the equivalent of one-third of your pre-retirement pay to one-sixth, unless your company scheme provides for automatic increases in pension to compensate for inflation. Even this estimate is based on the hope that the government will be ahle to cut back the *wild runaway inflation* of recent years to the more modest rate of 3½ per cent. a year which has been tbe average since the War.

Public schemes

Looking at widows' pensions it is important to rememher that it is only the hest schemes that now give a 50 per cent. pension to a surviving wife. Most public sector peosion schemes, those for doctors, teachers, civil servants, local government employees, etc., at present generally provide widows' pensions of only one-third of the bushand's pension, and what is usually overlooked here is that the one-third applies only to the actual pension of eightieths and not to the total retirement henefit.

Snpposing, for example, that your pre-retirement salary is £3,000. You are in a pension scheme that gives you a pension of 1/60th of pre-retirement pay for each year of service so that after 40 years yon qualify for a pension of £2,000. The Inland Revenue allows you to take one-qoarter of this in the form of a capital sum so that you draw, say, £5,000 immediately in cash plus a pension of £1,500 a year. In many public sector schemes the sama result is achieved by expressing the pension as 1/80th per year of service so that after 40 years you get half pay—in this example £1,500. In eddition, a lump sum retirement benefit is payahle based on a formnla of 3/80ths per year of service.

A widow's pension of one-third of an employee's pension based on 80ths, and nsing the same £3,000 pre-retirement salary, would only be £500 or 1/6th of e *husband's pre-retirement pay.* In contrast, a half pension based on the husband's full 60ths entitlement before he opts for the cash sum wonld be £1,000 e year.

Continued on next page.

RETIREMENT AND SECURITY II

A greater choice for the self-employed

By a CORRESPONDENT

This year is likely to be remembered as a red-letter year for those who get no company pensions. The 1971 Finance Act has gone a long way to removing the unfair distinction that has existed for so many years between the tax treatment of people who can take part of their income in the form of company pension rights and those who cannot.

For most people whn hove previously hed to provide their own pensions under the terms of the 1956 Finance Act the net effect of thia year's improvements is to allow an extra 5 per cent. of gross income to be set aside tax-free, provided that this m0ney is pnt into a suitahle insurance contract and not drawn out again until an egreed retirement age, generally between 60 and 70. Once invested this money is able to be segregated hy the insurance company so that it can earn interest, dividends and capital gains free of tax.

Before we go into the detailed possibilities offered by thls year's tax changes, it is important to define more clearly the people who should henefit from them. For many the term "self-employed" suggests far too narrow a definition. It should he remembered that directors of companies are at present excluded hy the Inland Revenue rules from joining thelr normal company pension schemes if they themselves hold more than 5 per cent. of the equity in a company where the directors collectively control more than 50 per cent. This restriction operated particularly harshly on the working directors of small family companies, although quite large husinesses are sometimes affected. It has often had the unfortunate effect of making a senior employee worse off if he is offered a seat on the Board than if he were to retain his previous employee status.

Clearly it is to the advantage of most small family companies to be able to offer participation in the equity and in policy-making decisions to outsiders who come armed with the necessary skills and talents. No company, however, wants to be put in the position of offering a highly valned employee a benefit that may not in the long run operate to bis advantage. With the 15 per cent. that is now allowed as tax-free income if it is paid into a self-employed pension arrangement, many small companies can now consider offering an employee who is promoted to director level a 15 per cent. increasa in pay (apart from any other normal promotional increasea) to replace tha money that would otherwise go into the normal pension scheme on the understanding thot this sum would be used to hüy a self-employed pension.

Professional people

The next main category of people who should benefit from the 1971 Act are partners ın professional firms. With the exception of doctors in the NHS, who are ahle to join the NHS superannuation scheme on the basis of special statutory provisions, partners cannot normally join the pension schemes that they set up for their own employees and they therefore have to provide for their retirement out of their current income.

I referred earlier to the additional 5 per cent. which it is now possihle to save out of untaxed income. Before this year the maximum thet you could save out of untaxed Income was 10 per cent. with an overriding limit of £750 in one year. For penple horn in 1916 or after this npper limit has heen increased to 15 per cent. of relevant earnings hut with a maximum total annual premium of £1,500. If you were born before 1916 you are allowed to save a larger amount out of your gross untaxed income according to the sliding scale shown in the accompanying table.

People, therefore, who were born in 1907 or earlier and who earn £10,000 a year or more can pnt aside £2,000 each year tax-free. With high marginal rates of tax operating at this leval a £2,000 investment may cost as little as £500 in terms of net spendable income given np. For the really high surtax payer the immediate tax saving may be even mnre dramatic but if we look forward to the maximum marginal rate of 75 per cent. which the Government plans to introduce in 1973 the £500 secrifice for a £2,000 investment is probably a fair long-term measure of what can he achieved by top earners as a result of the 1971 Act.

Apart from allowing you to save more in the form of self-employed retirement annuity premiuma the 1971 Act also introduces the important concession of a tax-free lump sum at retirement oge. In most company pension schemes it has been current practice for some years to allow a retiring employee to take up to one-quarter of the total valne of his benefits in the form of a capital sum. This is a limit fixed hy the Inland Revenue and slightly modified by the 1970 Inland Revenue Approval Code, but the broed principle of allowing a substanfial tax-free capital payment to be made is to continue.

Tax liability

If yon give up part of your income now in order to take a pension later on what happeos is that your tax llability is deferred from a higb tax period to wbet you would expect to be a lower tax period. If your marginal rate drops you can expect, therefore, to pay less tax overall than if you were to take your money ln the first place after it had borne tax and then invest it yourself for retirement. By being able to take part of your retirement henefits in the form of a tax-free capital sum you pay no tax at all on this sum.

Even if you need a bigger pension, and will have to use this capital sum or part of it to hny an annuity, you will save a substantial amount of tax because yon pay much less tax on an annuity that you buy with your own personal capital than on a peosion that you get through a compony scheme or from a self-employed annuity. This is because o privately purchased annuity (known in the trade aa a "Purchased Life Annuity") is treated partly as a simple repayment of your own capital and partly as a payment of interest that the insurance company has earned on your capital. Each payment of the annuity that you receive is split on the basis of a formula agreed with the Inland Revenue into capital and interest end you are only taxed on tha interest element.

Given this obvious advantage of the right of many employees to take part of their retirement benefit in the form of a capital sum it was obvionsly unfair that the self-employed were not allowed to do the same thing. It is this anomaly that bas been corrected by the 1971 Finance Act. As a result you are now allowed to take a tax free capital sum at retirement equal to three times the pension that you are left with. Provided thot you put aside enough money in the first place you could for example take a tax free payment of £6,000 so long as you leeve yourself with an annual pension of £2,000.

Another important improvement in the 1971 Finance Act is the right to provide worthwhile banefits for your wife or another dependant. Out of the total 15 per cent. that you are investing annually in a self-employed retirement plan you can use up to one-third (5 per cent. of your earnings) to provide widow's or dependants' pension cover.

One of the great advantagea of a self-employed pensinn plan over a conventional life assurance—apart from the ohvious fact that you get expense relief for both income tax and surtax purposes as opposed to ordinary lifa assurance relief on income tax only—is its greater flexibility. With an ordinary life assurance policy yon usually have to pay a givan level of premium for a minimum period of at least ten years in order to obtain the maximum tax advantages available. People wbo ruo their own business often find it difficult to hove a fixed commitment of this kind hecause their earnings fluctuate quite sharply from year to year. They do not enjoy the security of income of the high salary earner.

Further factor

The tax treatment for payment to a self-employed pension plan does not force you to commit yourself to a fixed payment in this way. In fact you can wait each year until you have agreed your tax assessment with your inspector and then pay a one-off single premium to the insurance company, having this payment appropriately deducted from the earnings figure agreed in your assessment.

For anyone with fluctuoting earnings this is obviously the hest way of organising provision for retirement, and most insurance companies are ready to accept a series of one-off single premiums. If you do have a regular income, however, you may find that you get hetter terms by agreeing to a longer-term contractual arrangement, hut this is a matter wbich you sbould ask your professional adviser to sort ont for you.

Once you have agreed on the amount of money you are going to invest in a given year your next question is how it sbould be invested—or at any rate, the part that is not immediately needed to provide widow's or dependants' cover. There are a host of insurance contracts on the merket and there are likely to be many more launcbed before the end of the tax year when new money is likely to be rolling in as a result of this year's tax cbenges. In judging or in asking your advisor to judge the contract that gives you the best buy you must take account of your own personal tamperament and attitude to risk and in doing this you should take some account of financial circumstances generally.

An alternative

If you are not e risk-taker ond you have e very small total income and are fairly near to retirement age, o non-profit retirement annuity contract is probably going to be your answer. By taking e lower guaranteed pension you can get a with-profit contract which abould give you more for your money, perticularly if inflationary conditions persist and insurance companies are able to compensate for the effects of inflation, as they have done in recent years, in the form of steadily improving with-profit bonuses.

The most sopbisticated investor is likely however to be attracted by the idea of deciding each year how his money will be set oside. He can either do this by putting different proportions of his 15 per cent. with different insurance companies or by going for on insurance plan that allows him to have part of bis money held in property bonds, part in equity units end part in fixed interest units. This type of arrangement is in many respects remarkebly similar to the underlying practice of insurance compeny investing your moncy on your hehalf es part of thc terms of a wlth-profit policy. What is new is that the unit hesis enahles you to follnw your lnvestmcnt performance much more closely than under the older system. It is nn good however opting for e solution of this kind unlcss ynu bavc the stemina to livc through the incvitable down-turns in the market without losing too many sleepiess nights over thoughts of what you are going to live on wben you are old.

MAXIMUM ANNUAL PREMIUMS ON WHICH A "SELF-EMPLOYED" PERSON CAN GET INCOME-TAX AND SURTAX RELIEF UNDER THE 1971 FINANCE ACT

Year of Birth	Percentage of relevant earnings	Maximum annual premium
1916 or after	15	£1,500
1914 or 1915	16	£1,500
1912 or 1913	17	£1,700
1910 nr 1911	18	£1,800
1908 or 1909	19	£1,900
1907 or any earlier year	20	£2,000

Selection – (Cont'd.)

Continued from previous page

The point of these examples is to drive home the fact that widows' pensions are often much lower than they are popularly thought to he and, althnugh puhlic sector widows' pensions may by present standards he considered pretty miserly, it is nonetheless important to recognise that there ere still many private sector schemes where the employee's widow gets nothing at all unless the busband givea up part of his pension in exchange, under what is usually termed the "widow's option" rule.

Faced with the need to make good this shortfall an increasing numher of people are huying with-profit whole-life policies. Not only are the premiums much cheaper in relation tn the sum assured than comparable expenditure on endowment insurance, because you do not have to build up a capital sum to be paid to you by the time you are 60 or 65, but also because thc pnlicy should go on chalking up bonuses for ea long as yon live. If, for example, your policy plus honuses is expected to he worth ahout £5,000 hy the time you ere 65 then this capital sum should heve increased to ebout £7,500 if you die when you are 78.

Cut-off point

Ideally you will have no morc premiums to pay on your whole-life policy by the timc you retire. Whether or not you cen ochieve this result will depend on bow mneh you can offord to pay in premiums before rctirement age. Quite a lot of men only start such o policy in their mid- to late-fortics, when they are oble to devote a bit more of their resourccs for their retirement needs, and then find that to get a big enough policy they will have to go on paying premlums after they retire. This is all right if the pension is big enough, aod in any case most whole-life policics have an automatic premium cut-off point ot 85, so that you should not find yourself paying preminms for ever.

In recent years there have been a numher of ettcmpts to refine this basic method of providing fnr surviving wives end dependants. In the first placc it is usually better for the wife to take the whole-life policy on her husband's life even if her husband pays the premiums. Provided that the money required to pay these premiums can be regarded as the husband's normal expenditure (and this should certainly be the case in most of the situations envisaged in this article) then the capital sum payable on death would not form part of the hushand's estate and so would neither be subject to Estate Duty nor added to the rest of the husband's assets for dnty purposes.

Tricky exercise

The next refinement grew out of the realisation that many senior executives have suhstantial life cover in their later yeara at work. This life cover may be provided by the firm as part of the company pension arrangements hut will cease when the employee retires. By juggling around with the traditional whole life policy one or two insurance companies have been able to produce a suhstantially larger sum assured after retirement age for e given premium. They do this hy cutting heck the life covar before retirement age. Obviously this is a tricky exercise becauaa you have to have a minimum amonnt of life cover in the early yeara in order to get tax relief on your premiums.

For most people provision for a surviving wife or dependant is likely to be the main insurance need in the years after retirement and I have therefore concentrated on this aspect in this article. There may be other needs such as cover against the risk of dying in the seven year period during which Estate Duty is likely to be charged on any substantial gifts one has made of moncy or property. This risk can of course bc covered by a decreasing term assurance policy. Here we are touching on the much wider question of estate duty. One assumes that anyone sufficiently endowed with capital to bave an Estate Duty problem will bave taken expert advice long before retirement age.

Finally, It is important to remember thet life assurance ia an investment as well as being a mechenism for buying protection against the risk of death. Single premium, equity or property bonds are not only a good vehicle for investing one's capital hut can also offer e meeos of reducing surtax liahility hy deferring the assessment to a period in tima wben your own income is less, or when tax treatment of investment income is better than it is now—as should be the case after 1973.

Arguments for annuities

By JOHN PHILIP

No one who has already retired, any more than anyone who is about to retire, can afford to ignore the purchase of an immediate annuity as a source of income during retirement. At the present time the would-be 65-year-old annuitant with £5,000 cash to pnt down can get a gross annual return of about £725 if a man, and about £660 if a woman. With such returns, only partly liable to tax as I will explain later, why is it that immediate annuities are not bought even more extensively than the life companies' records show?

The principal reason must be that the purcbase of the ordinary immediate annuity involves the purcbaser io the irrevocable disposal of his capital. I must, however, emphasise this word ordinary because it is a simple matter to ask insurers to qnote for a "guaranteed" annuity.

Guarantee range

In essence a "guarantee" promises that the annuitant's estata will not suffer the complete loss of the purchase money involved if the annnitant suffers an early death. As to the precise extent of the guarantee, much will depend on the anultant's sex and age, as well as the kind of guarantee that insurers are prepared to offer; but for the newly retired annuitant in the 60-to-65 age bracket a guarantee of payment for 10 years should he eaaily obtainable. And even for the older annuitant insurers may still be ready to offer a five-year guarantee. Alternatively, it may be that insurers will offer a premium percentage return to the estate, or so mnch of such percentage as remains unconsumed by payments to date.

Broadly speaking ordinary annuity returns are calculated by insurers against expected average mortality of their customers and expected investment income. The provision of guarantees principally affects insurers' mortality calculations. Therefore insurers do not provide guarantees for nothing, though the extra cost to the younger annuitant may well be minimal. Insurers price their guarantee by providing the annuitant with a lower pension than he would have obtained had be purchased an unguaranteed, ordinary, annuity.

There is another aspect of a guaranteed annuity that needs consideration. Tha return provided by every immediate annuity, whether or not guaranteed, is deemed by the Inland Revenue to consist of both capital and interest, and it is only on the latter that the annnitant has a tax liability. The capital element is fixed by the Inland Revenue, and with the guaranteed annuity, the Revenue will usually fix a lower capital element; therefore the annuitant will have a larger interest portion in his return and so be liable for more tax.

Annuitants are often vexed by the fact that insurers deduct tax at the standard rate from the interest portion of the annuity but this is not just a bad habit—insurers are legally obliged to do this. The result is that the annuitant, if he is not a standard rate taxpayer, must get adjustment from his inspector of taxes on completion of his annual tax return. There is but one exception to this rule—the "small income" annuitant can obtain payment from insurers, gross of tax, provided he first completes a special form for insurers declaring that he is financially entitled to special treatment. And small is literally small—£504 a year inclusive of the annuity for a singly taxed person and £786 a year for a married man or woman subject to assessment for tax on joint income.

Individnal insurers' terms for ordinary immediate annuities—and therefore for their guaranteed variants—alter from month to month, but overall in the past few months the general level of annuity returns offered by the market leaders has remained static. Taking four ages by way nf example, the accompanying table shows the top of the market gross returns averaged over several market leaders, providing pensions payable half-yearly for both men and women, and also the relevant capital elements.

ANNUAL GROSS RETURN PER £100 FOR PURCHASE PRICE OF £1,000 OR MORE
AVERAGE OF MARKET LEADERS—MID-AUGUST

	Men		Women	
Age	Gross £	Tax free capital element £	Gross £	Tax free capital element £
60	13	5.627	12	4.674
65	14.50	7.049	13.25	5.736
70	16.75	9.071	14.75	7.24
75	19.75	11.979	17	9.416

Own research

There are over 100 companies offering annuities, and by no means all of them offer such terms. Moreover, the company that is top of the league this month may he out of the first 20 next January. So the prospective purchaser should get quotations from several insurers. Anyone who wants to do his own research can buy the current edition of "Policy" (a monthly insurance journal costing 35p published by Stone and Cox and obtainable on order from local newsagents) and work from the table of annuity returns printed therein month by month.

But the better course must be to consult an insurance hroker who is an expert on the life and pensions market: he will be able to advise on the financial stability and reliability of those companies who are offering the best rates—not all of them are long enough established or soundly enough based for my money. But in taking a broker's advice, it is necessary to remember that he lives by the commission he earos and that there are three sound reputable companies, Ecclesiastical, Equitable Life and London Life, who do not pay commission, and consequently may not figure in the broker's recommendations. Though these three companies may not always be among the top 20, they cannot he overlooked. So, if need be, their terms should be ascertained without the hroker's help.

Just as expert advice is desirable over the choice of company, so is it wben one is buying any variation from the simple form of individual annuity. For example if one wishes to buy an annuity throughout the continuance of two lives—husband and wife is the most usual, bnt other relationships are perfectly acceptable to insurers—it is possible to buy a single annuity on a joint life and survivor basis, or to buy two annuities, an immediate annuity for the person reasonably expected to die first and a deferred annuity for the survivor. This is not an academic distinction, but one that produces positive differences when one comes to consider estate duty liability on the death of the purchaser, who will usually be the husband and on average must be expected to die first.

Purchasing power

So far all my comments have been directed to the kind of annuity which provides a level return (subject always to tax fluctuations) throughout the payment period. So in these inflationary times the real purchasing power of such an annuity will diminish the longer the annuitant lives; and, as many elderly people discover, it is by no means true to say that one's financial needs diminish with the advance of time.

For those who want to try to preserve purchasing power, insurers will quote for increasing annuities: so far as they are concerned it is largely a question of mathematics. Bnt I do not recommend the increasing annuity, because it does mean that in the early years of tha contract the annuitant will get less return for his money than if he had bought a level term annuity: It is only in the later years that he will benefit. For this reason, in my view, the increasing annuity is a good buy only for the potential octogenarian or nonagenerian—it is only he who will live long enough really to reap the benefit. For the average man or woman with an average life expectancy (and wherever I have said "he," please also read "she") with all its imperfections, the level term annuity, in my view, is superior.

I think it to be true that the average annuitant wants, above all, certainty of income. Bot if I am wrong, and in any event for those who do not consider themselves in this respect average, I should mention that a few companies offer linked annuities, linked to equities and, more recently, property. No one wanting information oo these annuities should fail to obtain expert advice, and no one, again a personal view, should employ all his capital in their purchase.

The home as a movable asset

By JOE RENNISON

Unless one is numbered among the fortunate few who enjoy enormous salaries or a large investment income or just pots of spare cash, a roof of one's own is likely to be the most expeosive purchase made by the vast majority of people. And at the approach of retiremeot—again unless one has invested well and on a moderately large scale—the income will probably ha most people's largest single asset.

In this inflationary age it is almost impossible not to make a large profit between purchase and sale of a house unless it is particularly badly placed and in ruins. Over a long-term some increases in value have been spectacular. Over, say, a 20-year period rises in the value of some houses of several hundred per cent. are not at all unusual. At the moment prices are rising faster than ever.

So the added value of the house will be there to make use of—bnt perhaps it is best to first make sure that this is an asset and not a liability by retirement time. Namely, is it paid for? This may seem too simple a qnestion on such an important point, bot certain people can slip up on paying too much and for too long for their house.

House purchase for most people means a mortgage. For the most part it is the best way of securing a home. Inflation will probably guarantee that at the end of the payment period ooe would have paid the equivalent of a minus rate of interest. But time and interest rates wait for no man. One's mortgage repayment position should be kept under constant review.

Fewer years

A man who has not settled down with wife and family in a house or bas lived in a rented flat until his 30's could find himself with fewer years to pay on his house than he had thought. Retirement ages are gradually being reduced and it could happen that with an increase in mortgage rates the mortgage period rather than the moothly repayment has been extended. Such a man could find that by retirement age he still has a few more years to pay. It would, however, be false to suggest that quick repayment is always the ideal solution: tax and future income positioos must be examined to make sure that the mortgage might not be more valuable on the longer rather than the shorter-term.

If it la possible it is much more satisfactory to have repaid the debt several yeara before income is reduced. Apart from the psychological satisfaction—not to say sheer relief—there is money to be made and saved instead of repaid. A revision of between 30 years and 25 years repayment time can save a lot of money in interest charges—on a £5,000 mortgage, for instance, the difference will be about £1,700 in interest. Obvionsly this will be proportionally less the later the mortgage period is changed. But the monthly increase in repayments would by contrast be quite small.

If it is possible to repay over a shorter term it is to he advised for those living mainly on salary income. The same amount which was being set aside to service the mortgage could, over the last ten years before retirement, be put to a better use to earn money in unit trusts, equities or guaranteed growth bonds.

One other point before presuming the property is to be sold is to make sure that it is in good order. This can mean the difference of quite a lot of money wben it is put on the market. It is a most worthwhile investment to keep the house rainproof, in one piece, neighbour proof, free from rot and if possible to have central heating installed. Improvements carried out a few years ago will increase in value: goodwill is a non-saleable commodity in bricks and mortar.

Moving out

But presuming that all such difficulties have heen overcome what does one do with the family home? The most obvions answer is to move out into a smaller accommodation. The profit on such a move can be quite substantial. There are, however, several points to he checked before such a mova is made.

First there is the location to be chosen for the move. When one no longer has the friendship connected with one's employment, social links at home and in the neighbourhood become more important. If local links are stroog—despite the fact that tha children may have flown far from the nest—then any removal from friends must be compensated by the knowledge that new friendships can be made easily at the next home town. It is all the more important if one partner should die. There is little compensation in added income if there is no companionship. If it is possible a small house in the same locality as one has lived for tha past few years could be the best bet. On this point it is well to remember that joint ownership is a good idea to reduce duty liability. The exemption figure is now £12,500 which sounds a lot more than it actually is when everything is added up.

Whatever the kind of move —or whatever the distance—the nature of the new accomodation is all important. Elderly people do not want to he fussed with irritating details over too much land, difficult heating, poor communications, etc. That cottage in the country may seem the ideal to which many people have been looking forward to all their working life. But is it practical? Isolation, illness, lack of funds to make the necessary renovations could make such a home more of a liability than a joy. Incidentally, those country cottages to-day are becoming more and more difficult to find and the prices are rising steeply.

Perhaps more convenient would be a new service flat in a seaside retirement town. The physical troubles of such a property are taken care of but again there are drawbacks in that all one's neighbours are likely to be of the same age and ontlook. But again on the positive side neighbours ara near at hand in case of illness and could rally round in case of loneliness.

One other solution is to stay put and if the existing house is big enough to convert part of it into flats or rooms to let. There is the advantage of being in the same house the same neighbourhood and among the same friends. But there is the disadvantage of being a landlord. It may seem a good thing to stay in ones own home and use part of it for income but the trouble and nuisance—especially to older people—can take the bloom off retirement. The legal and financial aspects of becoming a landlord must be gone into very carefully before being committed to a constant haggle over rents, rates and rights.

RETIREMENT AND SECURITY IV

Facing the investment realities

By KENNETH GOODING

Around about lunch time on most working days in the office of Leeds stockbrokers Howitt and Pemberton you can find two retired man looking at the Exchange Telegraph "ticker," reading the financial pages, picking up gossip from the brokers and now and again doing a few share deals. The two men bave found an interesting and rewarding method of filling in their free time—and that is ona way a person can look at investment after retirement.

However, most retired people are not looking so much for a bobby but for additional income when they turn to atock exchange investment. What they seek is virtually unobtainable—an investment which offers complete security while yielding a high income and at tha same time shows at least enough growth in value to counter the ravages of inflation. The would-be investor on retirement must first, therefnre, face up to the realties.

To start with, it is bardly worth thinking about building a portfolio of shares after retirement unless you have at least £10,000 of capital you are willing to put into this risk area. Anything less would probably be batter placed in unit trusts or even a building society.

Most newspapers run advisory services and bank managers, accountants and solicitors can often give advice on jnst bow a retired parson can put bis spare capital to use. But if a decision is taken to invest on the stock market, a direct approach to a stockbroker should certainly be considered.

Finding a broker

Finding a broker need not be a problem. But it is best to remember that some of the larger brokers, particularly in London, do not welcome "small" clients and to these firms "small" means anyone with less than about £25,000 to invest. The relationship betwaen broker and client should be on a friendly, personal basis and for this reason the best way to chose a broker is on the recommendation of a friend or colleague who has been satisfied with the service a broker has given him.

Falling this, then your bank manager, solicitor or accountant can probably mention a firm or two—or it ls possible to write to the London Stock Exchange for a list of brokers who would be willing to act for you. If yon live outside London yon can either correspond with a London broker or, much better still, deal through a provinclal broker—the secretary of the Provincial Brokers' Stock Exchange would be happy to put you in contact with one.

There ls little doubt that a relatively small investor seems to get a more sympathetic welcome from provincial brokers who do not bave such big overheads or so many large institutional clients to provide for. So if you live near one of the 22 towns wbich have their own Stock Exchanges, you would probably get a better deal from a local broker in that he will most likely give more of his attention to your individual requirements.

To start with, if you are the kind of investor wbo knows vary little about the stock market and its techniques, the broker will insist on a fair amount of discretion on the way he puts your money to use. It is particularly important for a retired person that his portfolio of stocks and shares should be, to use the old saying, "tailored to fit bim like a suit." A broker should be able to do this for you—and be ready to alter the fit as circumstances change.

If you insist on running your own portfolio the broker would, for your own good, prefer it if you kept the number of companies invested in down to below 20. This means you can follow the fortunes of a few companies instead of attempting to understand what is going on in all sectors of the market.

For his nwn good the broker would also prefer lt if you dealt in blocks worth at least £500 each in the provinces and £800 in London. Because costs and overbeads are lower for brokers in the provinces the cost of a deal to a provincial broker is roughly £4 a time, whereas in London it works out at about £7. And deals involving either £500 as far as the provincial man is concerned, or £800 in London, would enable the broker just about to cover his costs.

There la also the point, of course, that unless reasonable quantities of stock or shares are dealt in it is unlikely that a broker can gat keen price for them when the time comes to sell.

What to expect

What can you expect from your broker? Well, you can't expect him tn be happy if you telephone for his advice every hour—that is nnless you are an extremely valued client in terms of portfolio value. But you should expect the occasional telepbone call with advice to buy or sell and many brokera will have a flow of informed litersture available for the client. Make a point of getting to know one particular person in your chosen firm of brokers so that ynu can get your deals done speedily once a decision has been mada.

If your portfolio is to ba handled by the broker at his discretion, make sure he does not neglect it. On the other hand beware the broker who keeps buying and selling shares for your portfolio for no other reason that to make a "turn" on the deals. This is a rare occurrence because broking is a service industry and there are plenty of other brokers that a dissatisfied client can turn to.

In drawing up a portfolio for a retired person the usual criteria apply—particularly the one abont the higher the income an investment yields the bigger the risk element. For example, it is possible to get a gross yield of 20 per cent. from a Zambian Loan stock. An investor willing tn accept a very high risk element could expect bis portfolio to yield 12½ per cent. gross.

More realistically for a retired person, a portfolio of good class stocks could ba made to yield 8 per cent. gross—that ls £800 a year on an outlay of £10,000. But this type of portfolio would bardly be likely to offer any growth alement.

And many brokers these days insist that a retired person's portfolio must include some alement of growth in view of the high rate of inflation. As one broker put lt: "Even five years without growth and with the inflation we have been suffering would really cut the value of a portfolio to a man who has retired." Thia broker estimated that he could produce a portfolio yielding 6½-7 per cent. gross (£700 a year on £10,000 invested) wbicb would alao have enough growth element in it to cover the rate of inflation.

Finally, and most important, the retired person who puts money into stock exchange investment must be prepared to be an active investor. There is no point at all in locking sharea away for the future—that is one of the major lnvestment lessons learned from the Rolls-Royce collapse. The small private investor can beat the institutions to the punch as situations develop because the institutions are to some extent made inflexible by the sheer size of their shareholdings.

Hard work

But to get this benefit, the private investor must be willing to work hard at it. He must bave more than a passing knowledge of the economic factors likely to affect share prices. The successful investor must thoroughly study the companies in which he is investing or plans to invest.

And the person who has retired is in a better position than most to find the time to acquire the information which enables him to be an active and successful investor.

Getting a second job

By JOHN WILLIAMS

Just as there is more to living than earning a living so there is more to retirement than drawing a pension. There are problems, and they can either be faced stoically or otherwise once one hits them, or some systematic attempt can be made to tackle them in advance just as the pension problem is tackled ln advance.

It is inevitable that the first consideration must always be money. Unless you can solve the money problem yon will probably not get mnch time to think about all the others. Most people who are now living in retirement are disillusioned because the world they had once dreamed of is not quite what they expected.

Inflation at the rates we bave come to live with in recent years is probably the main cauae of this disillusionment. Those of us who are still at work have come to accept 8 per cent. or 9 per cent. per annum increases in the cost of living as inevitable but hope that we can get a compensating increase in salary, if not a better one to compensate for higher living costs. We have become hardened to the idea that money is no more than a collection of pieces of paper worth wbat we care to think they are wortb for the time being. However, most of the people who are now retired grew up in an era wbere money bad an absolute value.

It is this mental readjustment that bas proved most difficult to the 60-pluses in recent years and we must nbviously make nse of their experience in making our own plans for retirement. The recent Government White Paper on pensions is going to insist that all occupational pension scbemes make aome allowance for inflation and the Government itself bas promised to raise State pensions at regular two-yearly intervals to compensate for inflation. The only people that at present lose out in thia respect are those who retire abroad — in countries whlch do not bave reciprocal National Insurance agreements with the U.K.

First task

For anyone retiring now the first task is to assess the total income available from the State pension, the company penaion and the interest dividends from his investments. Against the total income must be set estimates of current expenditure needs. Everyone seems to think on the credit side ln tbis respect—that the mortgage will he paid off, that there will be no more scbool fees, no more season tickets, and so on.

What tends to get forgotten are all the additional costs. If you bave bad a company car for as long as you can remember, have you thought about the true cost of running a car of your own? Will you want more money for the day-to-day pleasures of living if you now have time to think about them? As you get older, wbat about all those awkward do-it-yourself jobs such as climbing on the roof to fix tiles—if you have to pay people to do these things you will never cease to be astonished at the high cost of all the unpaid work you have done for as long as you can remember. Above all, bow are these costs likely to go on escalating in the future and can you expect your pension to be increased so that you can meet all these increased costs?

Adjusting to change

If you are plainly not going to survive in the state of life to which you feel you are entitled then yon ought to think about selling your services in some way or other, or about making a cut in your living standards immediately, at a time in life wben yon are more easily able to adjust to such cbanges.

With a basic meal ticket guaranteed, and away from the high-pressure activities of a large organisation it is possible to relish the thought of doing something both interesting and remunerative. Selling one's post-retirement services will obviously be a more difficult task to the man who has spent all bis life in one job than to tbe man with an entrepreneurial flair who can see straightaway where his particular skills are likely to be at a premium.

It is useful to think of retirement as a two-stage event. In the early yeara one should be able to lead a full life and supplement one's pension by some form of paid activity. The aim during this period should not be to spend ona's retirement income to the hilt but rather to build up reserves for the second stage of retirement—tbe period when one ia really old and can do less and less for one's self, which means more money haa to be available to pay other people to do things. Of course if you have a really good pension then the early years of retirement can he devoted to a favourite hobby or some sort of voluntary work.

What sort of work should you try to do at this time of life? The whole point of having a company pension is to pull out of a high-pressure huslness environment, or at any rate from a life pattern that you have grown used to, at an age where you are still young enougb and bealthy enough to readapt to something else. Nearly all the research that has becn done lnto the ageing process reinforces the view that the longer you carry on in a normal job the greater is the risk of breakdown. Instead of leading an active and useful life in later years you are forced into a condition of depandancy.

The sort of work to aim for therefore is of a kind that is perbaps unattractive to younger people because it is seasonal or because it demands a degree of accuracy and/or special skills but wbere the amount of work involved is not enough to justify the salary that would be needed to attract people with these skills at younger ages. A number of companies have for example employed retired bank officials to assist in running their pension schemes. Small and medium sized companies cannot afford to make thls a full time job. But it means entrusting confidential information about the salaries and states of health of the senior executives.

Whether you go on working, take up voluntary work or emigrate to a warmer climate it is absolutely essential to plan your retirement in considerable detail many years ahead. Quite a number of companies are running pre-retirement counselling schemes. In some cases they even operate special work plans so that you gradually get longer and longer hnlidays in the final years at work in order to adjust to greater leisure opportunities. But none of this belp will be any use unless you are prepared tn take your own destiny in hand. In too many cases retirement is viewed as a far away summer holiday that will go on for ever. For anyone who still feels this way I can beartily recommend a reading of Richard Aldington's superb novel The Seven Against Reeves. It is the classic manual of "how nnt to."

Town and Commercial expansion

Town and Commercial Properties announces the acquisition from George Wimpey and Co. and its subsidiaries of their 50 per cent. interest in St. Mary Abbots Investments.

Consideration consists in the issue by TCP of 410,000 Ordinary shares of 20p—worth nearly £600,000 at last night's close of 146p, up 3p—not ranking for the final dividend for the year ended March 31, 1971. In addition, St. Mary Abbots and its subsidiaries are to repay secured loans of approximately £750,000 to the Wimpey Group.

St. Mary Abbots has now become a wholly-owned subsidiary of TCP since the remaining 50 per cent. was already owned in the group.

St. Mary Abbots is a property investment company which owns property in Kensington, W8, at Havant, Hampshire and at Weston-Super-Mare and Taunton, Somerset. TCP estimates that the value, properties being included on the basis of a professional valuation at March 31, 1971, of £2,611,000, of consolidated net assets of St. Mary Abbots and its subsidiaries at December 31, 1970, amounted to £1,035,531.

TCP has acquired for B.Frs.90m. (about £770,000) a freehold site in Brussels from the Belgian Government. The site has the benefit of planning consent for a building with a total floor area of 24,967 square metres. The total development cost, including land, is estimated at some B.Frs.500m. (£4.3m.) and the building is expected to be completed by the end of 1973.

Richard Ellis (International) (Brussels) acted on behalf of TCP in the acquisition and will be concerned as project managers and letting agents.

A renegotiation has been completed of a secured borrowing amounting to £12.27m. of a subsidiary of TCP previously repayable by three instalments commencing October 7, 1971. This loan is now repayable by instalments of £3,682,291 on April 7, 1977, £3,682,291 April 7, 1978, and £4,909,723 April 7, 1979, and the rate of interest has, with effect from October 7, 1971, been increased to 8¾ per cent. per annum (an effective rise of approximately ¾ per cent.).

In furtherance of TCP's policy of disposing of low yielding and residential properties, further sales have been arranged. Since June 18, 1971, when the chairman reported on disposals, further sales amounting to £3,610,250 have been arranged. These properties have been sold on yield basis of 5.81 per cent.

ASSOCIATES DEALS

Paul E. Schweder Miller on Thursday bought 10,000 A. and S. Henry at 108½p for an associate of Great Universal Stores.

They sold 2,000 GUS "A" at 430p and bought 2,000 Ord. at 437½ on behalf of associates of GUS.

Roger Mortimer bought 75,000 Moores Stores at 35p for associates of Cavenham Foods. Samuel Montagu sold 12,500 Reeves and Sons at 181.3p average.

Hichens, Harrison sold 5,000 Britax-Excelsior at 55p for an investment client.

S. Pearson-A. W. Bain

S. Pearson and Son is to make an offer for shares not already owned in its subsidiary, A. W. Bain Holdings, insurance brokers and Lloyd's underwriters, in a deal which could be worth up to some £1.7m.

Terms are £3 cash a share in respect of 33.41 per cent. of the Ordinary not already held and the same price for the 44,715 "A" Ordinary after they have been converted into Ordinary.

In a statement, Pearson said it was making the offer because it was aware that certain Bain members wished to sell some of their shares, and it was felt the opportunity should be extended to all members to reduce their holdings.

At the same time, Pearson made it clear that following the offer it would not feel under any obligation to buy any further shares.

DELSON ACQUISITION

Terms have been agreed subject to contract for the acquisition by Delson and Co. of Premier Spring Company, a wholly owned subsidiary of Bay Hall Trust. Premier carries on the business of manufacture and sale of springs and light pressings and consideration is to be £30,000, payable in cash on completion.

Net assets of Premier at book values at October 31, 1970, were £124,157 and pre-tax profits for the year ended on that date £3,126. Delson directors anticipate being able to restore Premier to profitability commensurate with assets employed.

ALLIED VINTNERS

Acceptances of the offer on behalf of Greenall Whitley and Co. for Allied Vintners Investments have been received in respect of 1,426,307 Ordinary (69.1 per cent.). Additional acceptances not yet complete in all respects have been received in respect of a further 16 per cent.

The offer has been declared unconditional and remains open. It is anticipated that dealings will commence on Wednesday, October 13, in the Greenall Ordinary shares to be issued.

LONDON & BOMBAY DEALS

Details of the proposed acquisition by London and Bombay United Investments of Southern Cross Management and its associate, Manx International Management, should be sent out to shareholders within a month, Sir John Newson-Smith, the chairman, said yesterday. The two companies concerned are unit trust managers and specialise in Australian investments.

Sir John, speaking at an extraordinary meeting, also disclosed that the proposed sale by the Prospect Holdings subsidiary of Balqueen Hydro, in the Isle of Man, had been completed. A profit on the deal of over £30,000 was expected, he added.

At the meeting, a proposal was approved to grant Eagle Star Insurance an option to subscribe 50,000 shares in L & B at 100p each, exercisable at any time before September, 1974. In addition, Sir George Bolton was elected to the Board and it is planned that he will take over from Sir John as chairman. Sir George was chairman of L & B up until some three years ago.

Thorn offer for rest of Metro Gas

Thorn Electrical Industries is to make an agreed cash offer worth *nearly £570,000 for 62.4 per cent.* of the shares in Metropolitan Gas Meters. The balance of the shares is already owned by Glover and Main, a wholly owned subsidiary of Thorn.

The move to gain full control is being made by Thorn to enable production of gas meters to be integrated and to provide opportunities for the expansion of *Metropolitan's other activities* in conjunction with other companies within the Thorn group.

In addition to gas meters, Metropolitan manufactures warm-air heaters, beverage dispensers and other equipment for the licensed trade.

Terms of the offer are 67p cash for each Metropolitan Ordinary 20p share. On the news, the *shares rose 2p* to 65p. *Metropolitan* holders will be entitled to retain a final dividend of 15 per cent. in respect of the year to September, 1971, which has yet to be paid.

In the negotiations, Metropolitan was advised by Baring Bros.

CLARKE NICKOLLS LAND PURCHASE

The property, investment and development group, Clarke Nickolls and Coombs, has purchased 4.45 acres of vacant land in Waterden Road, E.15, with planning permission for development, for £306,000 cash.

ARBITER & WESTON

The Board of Arbiter and Weston proposes to circularise shareholders with its recommendation of the Ladbrokes bid, together with a profits forecast, in about ten days. The offer documents in respect of Ladbrokes' bid have already been sent out by Slater Walker.

Union Steel agrees bid from Folkes Hefo

Terms have been agreed on which John Folkes Hefo, the Midlands engineering group, will make offers on the usual conditions for the issued Ordinary and Preference capital of Union Steel and Manufacturing, which is based at Wolverhampton.

Terms are 38p cash for each 25p Ordinary share and 63p cash for each 5½ per cent. £1 Preference. They value Union Steel at about £870,000. Union Steel Ordinary were quoted around 31p yesterday and the Preference at 45p.

Folkes Hefo has recently bought 594,324 Ordinary (27½ per cent. of the issued amount) of Union Steel at 38p a share. The directors of Union Steel have undertaken, subject to no higher offer being made, to accept the offers in respect of their own holdings and to recommend acceptance to all other holders. Shareholdings of the directors total 118,198 Ordinary (5½ per cent.) and 3,405 Preference.

Directors of Union Steel have received assurances with regard to the continuation of the business and the interests of the staff. The formal document will be posted by Keyser Ullmann on behalf of Folkes Hefo as soon as possible. The Board of Union Steel has been advised by Hill Samuel and Co.

Keith and Henderson

Keith and Henderson, wholesale woollen merchants, is seeking advice from merchant bankers regarding the company's position, based on which, it is hoped, that profitable trading can be resumed, says chairman, Mr. E. Keighley.

As known an increased group loss of £17,720 (£7,635) was incurred in the year to May 31, 1971, and there is no dividend, as before.

The worst feature of the year was the continued unprofitable trading by the German subsidiary which suffered a loss of £10,000. Reduced turnover made remedial steps ineffective—a complete reorganisation has been planned but the changes take time, says Mr. Keighley.

The Belgian company showed a small loss while the Huddersfield company showed a profit of £871.

Arrangements are being made for a revaluation of properties.

Meeting, Cafe Royal, W., November 1, at noon.

ANTONY GIBBS

Owing to expansion of business, Antony Gibbs (Life and Mortgage Brokers) has changed its name to Antony Gibbs (Personal Financial and Life Assurance Planning). It has formed a wholly-owned subsidiary, Antony Gibbs (Mortgage Services), to transact mortgage and loans business for private individuals and companies.

The directors of the new mortgage subsidiary are:—Mr. Julian Gibbs, Mr. D. Highton, Mr. Jeremy Gibbs, Mr. O. Hirst, Mr. P. Cowling, and Mr. I. Russell.

Travel industry to debate price war

BY ARTHUR SANDLES

THE price war in the travel industry is likely to be the main topic of argument next week at the annual gathering of Britain's travel industry in Cannes. The conference of the Association of British Travel Agents opens to-day with a week-end of social gatherings and gets down to business on Monday.

There is little doubt that the battle between the majors over £10 week-ends and similar price-paring exercises will be a recurrent debating point. There are many in the business who think that the travel industry is committing economic suicide.

This year, many of the big companies have revealed losses or much-reduced profits. Next season, many travellers will find that their package tours have gone up in price, but almost certainly the retail trade, in particular, will tell the tour operators that the price rises have been nothing like big enough.

A widespread call for more sensible pricing (the average £45 package tour makes £1 for the tour operator) is likely to reach its peak on Tuesday when there will be a formal debate on the subject: Are Prices Too Low? Earlier this year there were bids to remove this subject from the *agenda because* of the bitterness it might uncover in the trade.

Pushing hard

Main protagonists in the price war have been Clarksons, Thomson Holidays, Sunair and the Horizon subsidiary 4S. It is likely that tour operator study group chairman Mr. Harry Chandler *will be joined by representatives* of other majors in pushing hard for more realistic pricing.

A variety of other subjects will be under discussion at Cannes, where efforts will be made this year to lessen the constant friction between the manufacturers (the tour operators) and some sections of the retail (travel agency) business.

New credit policy 'has good chance of survival'

FINANCIAL TIMES REPORTER

THE SUCCESS of the new credit control system will depend on the political will of the authorities to avoid distorting free market forces when economic circumstances demand a monetary squeeze. This is a main theme of a survey of the new controls in the October issue of The Banker, now on sale.

"Much will depend on the will of the authorities, when the time to squeeze comes, and on their holding their nerve through what could be a rather nerve-racking test. The new policy has a good chance of surviving. The will is there. The techniques should work. Bankers should be able to look forward to a future in which they alone determine the scope and direction of their massive businesses."

This conclusion is reached by Mr. Robin Pringle, deputy director of the Committee on Invisible Exports, in an opening article explaining how the new controls will work.

A major loophole

In a second article on the new credit controls, Mr. David Lomax, of National Westminster Bank, refers to a major loophole in the system.

"Money at call with the discount houses," he says, "*against* which they have to keep a 50 per cent. reserve ratio, is to be treated as an eligible asset for the banks. This establishes the possibility of leakage since, even if the discount houses had to keep the same kind of reserves as the banks, free reserves could be created by, for example, multiple transactions in assets which led to the discount houses holding more 0-1 year gilts and the banks correspondingly more money at call.

"In this case only half the *gilts* gained by the discount houses need be kept as reserves against the money at call, and the rest would be freed."

"To compound this problem, the discount houses are to be allowed to hold as their eligible reserves a wider range of assets than may the banks, including, for example, gilts with 1-5 years to maturity.

"Reserves could thus be created in a slightly different manner by the discount houses buying 1-5 years gilts from the banks in exchange for assets which are eligible as bank reserves."

An article by Mr. Hamish McRae, deputy editor of The Banker, analyses the impact the credit-control system is likely to have on London's money markets. After outlining the immediate effect the new controls had last month of causing the money markets to reassess the relative attractiveness of different kinds of debt, Mr. McRae goes on to consider the new position of the discount houses, of the sterling CD market and of the other parallel markets.

The issue also contains an article by Mr. Georg Tugendhat on the economic implications of pollution control, and a survey of Canada, including an analysis of the experience of floating the Canadian dollar.

APPOINTMENTS

Mr. Alexander heads Scottish Automobile

Mr. W. R. Alexander has succeeded Mr. J. A. R. Falconer as chairman of the SCOTTISH AUTOMOBILE COMPANY. Mr. Falconer will continue on the Board and Mr. J. F. Foot and Mr. C. M. McDonald have been appointed directors.

★

Mr. E. V. Michael has been appointed to the Board of SAUNDERS-ROE DEVELOPMENTS as sales director.

★

Mr. B. Boston-Smith, joint managing director of Hargreaves Fertilisers, has been elected president of the FERTILISER MANUFACTURERS' ASSOCIATION. Mr. B. A. Jones, general commercial manager, Shellstar, becomes vice-president.

★

Mr. Norris Lawley has been made deputy managing director of BRISTOL STREET MOTORS.

★

The SASSERATH ALFRED GROUP UNDERWRITING AGENCIES, part of Allied Insurance Brokers and underwriting agents in the U.K. for the New First Netherlands Insurance Company, has appointed Mr. G. R. Davis as underwriter. He was previously with the Royal Insurance Group and will succeed Mr. E. A. Kerton who retires on December 31.

★

Mr. L. G. Lilley, director for stainless steel of Henry Righton and Co. (Imperial Metal Industries), has been appointed sales and marketing director of IMI ALLOY STEELS.

★

Mr. William G. B. Beaton, former senior marketing executive with Unilever, has been appointed director of the recently created SCOTLAND WEST INDUSTRIAL PROMOTION GROUP consisting mainly of local authority planning committees and the Glasgow Chamber of Commerce. He takes up his new post on November 1 at a starting salary of £9,000 a year rising to £10,000 at the end of three years, the period for which his contract runs.

★

Mr. H. E. Johnston has been elected president of the recently formed GRAIN AND FEED TRADE ASSOCIATION.

★

MR. J. LINNING RESIGNS FROM COSTAIN BOARD

Mr. J. Linning, chief executive, U.K. operations, at RICHARD COSTAIN, has resigned from the company's Board. The company last night declined to comment on Mr. Linning's resignation.

★

Mr. Maurice Melton, general manager of GRESHAM LIFE ASSURANCE SOCIETY, an associate company of Legal and General Assurance, will be retiring on November 1. He will be succeeded as general manager of Gresham Life by Mr. Stanley Brown, F.F.A., at present an assistant general manager of Legal and General.

★

Mr. G. K. Day has been appointed chairman of ALVIN MORRIS, a subsidiary of Hickson and Welch (Holdings). He succeeds Mr. Clarence Alvin who has retired.

★

Commander V. M. Lake has been appointed deputy technical director of J. AND J. DENHOLM (MANAGEMENT).

Economic Diary

THE Conservative Party conference opens at the Top Rank Entertainment Centre, Brighton, on Wednesday. Also on that day the provisional U.K. trade figures for September will be published, together with the Treasury's economic assessment.

Other events next week include:

MONDAY—House of Lords reassembles after the Summer Recess. Meeting of the National Economic Development Council under the chairmanship of Mr. Anthony Barber, Chancellor of the Exchequer. Annual report of the Offices Shops and Railway Premises Act. Investment intentions of the manufacturing, distributive and service industries for 1971-72. Turnover of catering and service trades for August. Mr. Christopher Soames, Britain's Ambassador to France, speaks on Europe—Britain on the Brink, at the Royal Lancaster Hotel, London.

TUESDAY—Mr. John Davies, Secretary of State for Trade and Industry, meets the shipbuilding unions in London to discuss Upper Clyde Shipbuilders. Index of industrial production for August. Annual report of the Gas Council for 1970-71 and of 12 Area Boards. Computer statistics for the second quarter.

WEDNESDAY — Mr. Julian Amery, Minister for Housing, addresses the Financial Times—Investors Chronicle conference on Residential Property. NEDC annual statistical survey for the electronics industry.

THURSDAY — Mr. Campbell Adamson, director-general of the Confederation of British Industry, speaks at the CBI Northern Midland Region luncheon in Nottingham.

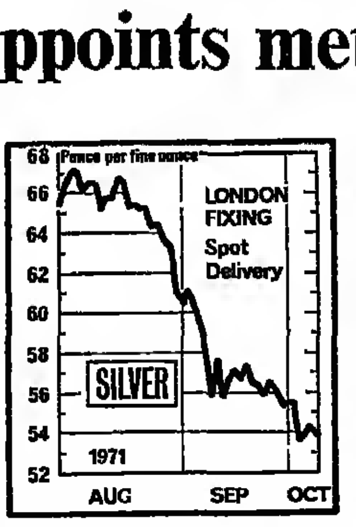
FRIDAY—British Steel Corporation production statistics for September and the Building Societies' receipts and loans for that month.

COMMODITIES/Review of the week

Nixon disappoints metals

BY OUR COMMODITIES STAFF

PRESIDENT NIXON'S speech on further measures to strengthen the U.S. economy was greeted with slight disappointment on the London metal markets, and values eased back yesterday from the higher levels reached on Thursday. It had been hoped that new moves in the U.S. might *quickly* revive industrial activity and bring back a better demand for metals generally. In the event, it was felt there was nothing especially "new" in the President's proposals.



This disappointment, coupled with reports that London Metal Exchange stocks of copper would rise again instead of falling as previously expected, caused cash wirebars to decline by £6.75 on the day to £414.25 a metric ton. However, this is still £6 up on a week ago, reflecting some increased consumer buying both from the Continent and China at the lower price levels. This followed another bigger-than-expected stocks rise of 3,300 tons, that depressed values to new post-devaluation lows on Monday. There has not been a great deal of buying, but at least some consumers seem prepared to follow the market up.

More consumer buying also caused the sharp rise in LME prices of zinc, with the cash quotation rising to £130.12 a metric ton, £4 up on the week. Rumours of a sharp fall in stocks, and some speculative buying kept the market steady.

Lead fell to a new post-devaluation low of £88.25 a ton earlier in the week, following a big jump in stocks and continued lack of buying interest. Values subsequently rose in the general more confident tone for metals, but yesterday fell back to £89.25, £3.75 down on the week.

The pattern was much the same in silver. Another "break" in values on Tuesday started in New York, with speculative selling finding little buying resistance, and the London bullion spot quotation was marked down to a new 4½-year low of 53.6p an ounce.

Confirmation that the U.S. Treasury was ready and prepared to start buying newly-mined U.S. output of silver at $1.25 an ounce restored some confidence, in that it appeared to establish some kind of "floor" to the market. But after rallying to over 54p an ounce, the spot price fell back to 53.8p an ounce yesterday morning, 1.7p lower than a week ago. In the afternoon there was a further collapse with prices falling to 53p—very close to the supposed "floor" level.

A meeting of the International Sugar Agreement's executive committee in London this week has resulted in the re-allocation of 250,000 tons of export quota shortfalls to exporters who still have sugar to sell.

The re-allocation in effect restores to the market the sugar lost when quotas were reduced by 5 per cent. last week. That cut was triggered automatically because the average world price has slipped below 4 cents a pound. Despite the fact that the amount of sugar available will stay the same after all, prices have ended the week slightly higher.

WEEKLY PRICE CHANGES

MARKET REPORTS

BASE METALS

COPPER—Turned easier on the London Metal Exchange. A feeling that little of a constructive nature was contained in President Nixon's speech, prompted selling. It was thought that the recent rise had been overdone and another increase in warehouse stocks is expected. Little consumer interest was reported. Turnover, 8,375 metric tons.

Henry Gardner and Co. reported that in the morning, cash wirebars traded at £417 to 16, mid-Nov. £420, three months £425, 26 to 23.5. Kerb: three months £422, 23.5. Cathodes: cash £404.5, three months £412.5 to 11. Kerb: three months £412. Afternoon: Wirebars: cash £413 to 14.5, three months £421 to 19.5 to 22, 21.5. Kerb: cash £415, late Dec. £422, three months £422.5, 23, 22, 22.5, 23. Cathodes: mid-Oct. £405, three months £410.5, 11.5. Kerb: mid-Oct. £407, three months £412.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	416-.5	+.5	414-.5	—6.75
3 months	425-.5	—	421.5-2	—5.5
Settlem't	416.5	+.5	—	—
Cathodes				
Cash	404.5-5	—9	404-5	—6.5
3 months	411-.5	—2.25	411-2	—5.5
Settlem't	405	—2	—	—
U.S.Smt	—	—	52.75-55	—

TIN—Lost ground. Disappointment with both the Eastern market overnight and President Nixon's speech caused a reaction. Good buying at the lower levels however, was thought to be on behalf of the buffer stock manager. Turnover, 440 tons.

Morning: cash £1,404, three months £1,410, 09. Afternoon: cash £1,399, late Oct. £1,403, three months £1,409, 05. Kerb: three months £1,405.

SILVER

Silver was fixed 0.4p an ounce lower in the London bullion market for spot delivery at 53.8p. The three-month and six-month premiums also narrowed 0.4p. Spot price drifted lower in sympathy with New York and ended at 53.1p.

wheat. Jan. delivery—S.E. £24.50, S.W. £24.85, East £24.50, E. Midlands £24.70, W. Midlands £25.00, Scotland £25.20, U.K. £24.65. Feb. delivery—S.W. £24.85, East £24.60, E. Midlands £24.95, N.W. £25.00, Scotland £25.25, U.K. £24.80. Feeding barley. Jan. delivery—S.E. £23.60, S.W. £24.35, East £23.95, E. Midlands £23.40, W. Midlands £23.90, N.E. £23.60, N.W. £23.05, Scotland £22.65, U.K. £23.65. Feb. delivery—S.E. £23.85, S.W. £24.23, East £24.00, E. Midlands £24.00, W. Midlands

FINANCIAL TIMES			
Oct. 8	Oct. 7	Month ago	Year ago
78.63	78.82	81.73	88.10

(Base, July 1, 1952=100)

REUTER'S

U.S. MARKETS

NEW YORK, Oct. 8.

SILVER slumped to new lows on fine long liquidation and chartist selling. Cotton fell with the crop estimate deflating the optimists. Soyabeans rallied sharply on a private forecast projecting

This week's SE dealings

Friday, October 8	11,902	Wednesday, October 6	11,628	Monday, October 4	12,226
Thursday, October 7	11,182	Tuesday, October 5	11,206	Friday, October 1	11,128

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in brackets).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of the London Stock Exchange have been recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. △ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mc—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (982)

INT. BANK STK. (—)

CORPN. & COUNTY—U.K. (173)

FREE OF STAMP DUTY

PUBLIC BOARDS, ETC. U.K. (31)

FREE OF STAMP DUTY

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (53)

COMMONWEALTH CORPN. STOCKS (8)

FOREIGN STKS., BDS., ETC. (12)

CORPN. STKS.—FOREIGN (—)

U.K. AND COMMONWEALTH RAILWAYS (20)

FOREIGN RAILWAYS (4)

BANKS & DISCOUNT COS. (361)

BREWERIES & DISTILLS. (290)

CANALS & DOCKS (6)

COMMERCIAL, INDUSTRIAL (6,849)

A—B

C—D

E—F

G—H

I—J—K

L—M

Matthews Hldgs. (10p) 73 2¼ 2 ½ 3½. 10½pcUnsec.Ln. 55½
Maxim Maternity Fashions (10p) 0½
May Hassell (25p) 75
Maynards 290
Mears Bros. Hldgs. (25p) 48 (6/10)
Meat Trade Suppliers (25p) 40½
Mecca 7pc1stM.Db. 84¼
Medminster (10p) 32 3 (7/10)
Meggitt Hldgs. (5p) 11
Melbros Group (20p) 22 20½ 1½ 7¼pc Db. 88 (5/10). 7¼pcUnsec.Ln. 58 (5/10)
Mellas A Non-Vtg. (20p) 40½ (6/10)
Mellins (5p) 8 (6/10)
Meltzer (A. H.) (Hldgs.) (25p) 10 (5/10)
Melville Dundas Whitson (25p) 54
Mentmore Manufacturing (5p) 18½ 18. 6pcPf. (50p) 24½ (5/10)
Menzies (John) (Hldgs.) (25p) 149 50. New (25p) 150 8pcPf. 60 (7/10)
Metal Box 369 90 3 2. 7pcPf. 80 4pc2ndPf. 47 (7/10). 6pcUnsec.Ln. 71-74 93¼ (7/10). 8pcUnsec.Ln. 82½ (5/10). 10½pcUnsec.Ln. 110½ (6/10)
Metal Closures Gp. (25p) 111 11
Metal Industries 5pcPf. 52½. 5½pcPf. 41½ ¼
Metal Products (Willenhall) (25p) 30 (6/10)
Metal Traders (10p) 34
Metalrax (Hldgs.) (5p) 45
Metropole Indus. (10p) 36 (6/10). Pf. 74 (7/10)
Metropolitan Gas Meters (20p) 57 (6/10)
Mettoy (25p) 24
Meyer (Montague L.) (25p) 60 59 ½. 7½pcPfd. (30p) 18½ (5/10). 7½pcLn. 70½ (4/10)
Michael (John) (Savile Row) (10p) 20 (6/10)
Midhurst Whites (10p) 30 (6/10)
Midland Aluminium (25p) 96 4 7. 10pc Ln. (80p) 100 5
Midland Cattle Products (25p) 82 (8/10)
Midland Elec. Manufc. (25p) 77 83 (7/10)

N—O—P

Pictures (5p) 125½ 6 7 5 5 7½. 7½pc
Reckitt Tools Specialists (10p) 41¼ 2 (7/10)
Pritchard Cleaners (Hldgs.) (5p) 46½ 7 ½. 8pcUnsec.Ln. 102 (6/10)

Props. Hay's Wharf 354. 8pcPf. 05
Provident Clothing Supply (25p) 26 ... 8½pcUnsec.Ln. 1987-92 94¼ 60 ... 8½pcUnsec.Ln. 1988-93 92
Pullman (R. J.) (5p) 92
Pure Bros. Hldgs. (20p) 162 3 5 ... 6pcUnsec.Ln. 118
Pye Hldgs. (25p) 05. Op.Certs. 16 14½
Pyramid Group (Publishers) (10p) 23

Q—R—S

Qualitex (25p) 45½ ¼. 8½pcUnsec.Ln. 104
Quality Cleaners (20p) 40½ 1
Queen Street Warehouse (10p) 13½ (10p) 9. 7pcPf. 51 (7/10). 6½pcUnsec.Ln. 60 (6/10)
Queens Moat Houses (5p) 16 17
Quirk (N. J.) Group (5p) 29

R.C.F. Hldgs. (25p) 72 (8/10)
R.F.D. Group (10p) 22 1 ½
R.K.T. Textiles (10p) 67
Racal Electronics (25p) 135 3½. New 134. 6pcUnsec.Ln. 118
Radiant Metal Finishing (12½p) 47
Radio Rentals (Hldgs.) 6½pcUnsec.Ln. (6/10)
Radley Fashions Textiles (25p) 40 16
Raine Engng. Industries (5p) 12 11
Rahusen (Lloyd) Sons (10p) 8½
Ramar Textiles (5p) 8½ 7½
Randall (J. L.) (10p) 35½
Randalls Group (25p) 68 (5/10)
Rank Organisation (25p) 735 20. A 768 40½ 50 30 7 40 5 38 40 30 18½ 26. 6¼pcPf. 70. 2nd.Pf. 83½ (5/10). 5½pcUnsec.Ln. (7/10). 6pcUnsec.Ln. 68¼ (4/10). Unsec.Ln. 90½. 7¼pcUnsec.Ln. 110
Rank Precision Inds. (Hldgs.) 7¼pc ... (6/10)

Shellabear Price (Hldgs.) (25p) 32½
Sherman (Samuel) (10p) 27 6½ ½
Shipping Indust. Hldgs. (25p) 267 3 4 6
Shipton Automation (10p) 13 12½ ½ 13
Showerings Vine Prods. Whiteways 7¼pc Unsecd.Ln. 202 (7/10). 7¼pcUnsecd.Ln. 60
Siplaw Indus. (50p) 560 7½ 7. 7½pc Unsec.Ln. 55½ (7/10)
Sidroy (20p) 11½. 7¼pcUnsec.Ln. 53
Siebe Gorman Hldgs. (25p) 143½
Siemssen Hunter (25p) 107
Silentbloc Hldgs. (10p) 22½
Silhouette (London) (20p) 67. A (20p) 60
Silkolene Lubricants (10p) 07 7 9
Sime Darby Hldgs. (12½p) 71 (7/10). New (12½p) 74. Wts. to sub for Sh. 32. 10pcUnsecd.Ln. 97
Simms (W. J.) Sons Cooke (25p) 21½ 1½ 2 (7/10)
Simon Eng'g. (25p) 134 1 2. 6pcPf. 6 (7/10)
Simpson (S.) A (25p) 60 (5/10)
Sirdar (25p) 34
Sketchley A (25p) 108
Skipper Go (10p) 88

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER (3)

FINANCIAL TRUSTS, ETC. (299)

GAS (11)

INSURANCE (281)

INVESTMENT TRUSTS (634)

UNIT TRUSTS (7)

IRON, COAL & STEEL (105)

MINES

Australian (41)

Miscellaneous (338)

Rhod. & E. African (55)

South African (200)

West African (6)

Diamond (81)

OIL (322)

PROPERTY (432)

RUBBER (156)

SHIPPING (83)

TEA & COFFEE (27)

TRAMWAYS & OMNIBUS (18)

WATERWORKS (13)

Mid-Sussex Water Additional Ord. (7pc Max.) 68½ (6/10)
Newcastle Gateshead Water 8pcPf. 81 2 (5/10)
Portsmouth Water 3pcPf. 20 (8/10)
Rickmansworth Uxbridge Valley Water 5pc Ord. 50¼ (7/10). 4pcDb. 39½
Sevenoaks Tonbridge Water 4pcPf. 375 (4/10)
S. Staffordshire 7pcDb. 73½ (4/10). 7½pc Db. 84 (5/10)
South West Suburban Water (10pcMax.) 940 (7/10)
Sunderland South Shields 5pc Cons. 40¼
Woking District 5½pcRed.Pf. 1983 67
Wrexham East Derbighshire 7pc 66½ (8/10). 5pc 40¼ (5/10)

SPECIAL LIST

OCTOBER 8 (2)

Bradlows Stores 6pcPf. 50p
Oliver Pell 6pcPf. 61p

OCTOBER 7 (2)

General Cons. Inv. Tst. 3½pcDb. 83-73 94¼

OCTOBER 6 (—)

OCTOBER 5 (6)

Bradlow's Stores 6pcPf. 50. Do.APf. 30
Bulmer Lumb (Hldgs.) 5pcPf. 30
Callender (George M.) 32
Triplex Foundries Gro. 5½pcPf. 37

OCTOBER 4 (2)

City and Intl. Tst. 3½pcRed.Deb. 1965-75 83

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

OCTOBER 8

Assoc. Hotels of New Zealand 16½ 13
Austem 46 9 8½ 7½ 6½
Adams (William) (Aust.) 01½ 2
Alexander Fund 465
Ampol Ex. 42
Aust. Consol. Minerals 6½
Alliance Oil Devel. 1½
Aust. Consol. Industries 71
Argo Invest. 54½
B.P. Oil Gas 335 2
Bell Bros. 94
Bougainville (F.P.) 881 94 87

OCTOBER 7

OCTOBER 6

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses after sectional names show number of stocks)	Fri. Oct. 8 Index No.	Day's Change %	Est. Ern'ngs yield % (with 40% Corporation Tax)	Est. Price Ern'ngs Ratio	Div. yield %	Thurs. Oct. 7 Index No.	Wed. Oct. 6 Index No.	Tues. Oct. 5 Index No.	Mon. Oct. 4 Index No.	Year ago (approx.) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
1	CAPITAL GOODS GROUP (184)	150.31	+0.9	3.92	16.89	3.73	138.66	156.79	156.99	154.54	130.96	162.00 (14/9)	103.03 (2/3)	121.30 (19/8/68)	22.22 (25/6/66)
9	Aircraft and Components (3)	113.13	−0.2	7.27	13.72	3.51	113.33	113.44	113.45	111.73	115.94	124.11 (7/9)	66.40 (3/3)	280.12 (23/9/68)	66.40 (3/3/71)
3	Building Materials (29)	167.24	+0.5	4.79	21.19	3.23	166.33	163.39	121.58	190.57	110.24	167.24 (8/10)	98.30 (2/3)	137.99 (20/9/68)	23.01 (25/6/62)
4	Contracting and Construction (20)	277.33	+0.3	9.03	13.83	2.21	278.77	372.71	260.79	965.21	200.00	277.63 (8/10)	162.23 (26/3)	277.33 (8/10/71)	84.32 (27/6/62)
5	Electrls. (ex. Electrn. Rad. & TV) (13)	280.71	+0.3	2.04	12.84	2.95	279.07	278.22	279.04	274.00	226.54	286.23 (10/9)	174.23 (2/3)	333.11 (17/9/68)	84.71 (25/6/62)
6	Engineering (79)	140.52	+0.1	2.80	14.70	4.42	140.55	158.54	137.88	136.90	122.46	143.28 (28/7)	102.56 (2/3)	160.83 (19/9/66)	22.90 (26/6/62)
7	Machine Tools (15)	64.93	+0.3	7.46	13.40	8.12	64.50	33.87	63.67	83.23	70.73	62.30 (13/8)	43.26 (6/3)	133.70 (4/7/66)	43.86 (5/3/71)
2	Miscellaneous (25)	133.48	+2.2	7.60	16.13	4.35	130.60	128.80	128.39	128.52	181.28	136.20 (14/9)	94.13 (2/3)	144.27 (31/1/69)	32.01 (8/11/66)
0	CONSUMER GOODS (DURABLE) GROUP (56)	121.58	+0.4	4.19	23.86	2.27	180.88	179.51	179.74	177.11	144.86	185.09 (23/9)	117.35 (2/3)	197.87 (15/1/69)	79.93 (25/6/62)
10	Electronics, Radio and TV (14)	122.05	+0.9	3.83	26.11	2.27	192.57	101.96	192.47	189.05	161.53	199.14 (23/9)	128.51 (2/3)	199.86 (19/9/68)	71.10 (8/11/66)
11	Household Goods (15)	205.89	+1.8	5.74	17.49	3.27	200.94	900.76	201.54	199.61	165.35	205.37 (23/9)	113.99 (8/3)	205.37 (23/9/71)	86.35 (26/6/62)
12	Motors and Distributors (27)	122.73	+0.3	4.17	23.98	3.49	122.33	120.62	120.37	178.93	36.84	122.37 (23/9)	78.91 (2/2)	170.59 (16/1/69)	73.32 (24/10/62)
13	CONSUMER GOODS (NON-DURABLE) GROUP (175)	127.96	−0.2	3.65	18.71	6.63	166.12	165.83	123.43	163.59	125.33	172.37 (14/9)	119.17 (5/4)	172.37 (14/9/71)	83.71 (8/11/66)
14	Breweries (21)	102.48	−1.2	6.22	19.76	3.34	194.87	191.60	191.80	191.38	131.45	205.23 (14/9)	123.30 (4/1)	205.23 (14/9/71)	80.39 (39/2/66)
15	Wines and Spirits (7)	171.48	−0.3	9.08	18.44	4.08	179.47	168.94	168.29	166.98	144.05	166.05 (14/7)	142.41 (4/1)	126.05 (14/7/71)	118.78 (15/6/70)
13	Entertainment and Catering (15)	229.54	+1.3	3.63	17.90	3.13	225.14	221.61	217.97	214.94	178.81	222.34 (8/10)	177.99 (2/5)	251.89 (21/1/69)	80.11 (25/7/62)
17	Food Manufacturing (24)	148.16	+0.1	5.39	18.54	3.65	148.04	143.60	144.85	144.01	114.47	149.88 (14/9)	22.74 (2/5)	171.54 (31/1/69)	23.32 (15/6/70)
1a	Food Retailing (17)	157.08	−0.9	6.19	19.51	3.23	158.39	155.93	155.92	155.33	110.06	160.82 (23/9)	100.2e (2/3)	163.66 (7/8/68)	94.e2 (27/6/70)
12	Newspapers and Publishing (15)	139.23	+0.1	5.55	12.01	4.50	156.12	154.94	153.79	131.92	111.54	15e.23 (6/10)	101.86 (13/1)	184.86 (28/1/69)	21.74 (23/7/62)
20	Packaging and Paper (16)	116.93	−0.7	2.66	13.02	4.48	116.69	115.45	113.59	114.40	111.41	123.27 (8/9)	88.81 (2/3)	134.65 (2/1/69)	97.31 (26/6/62)
91	Stores (30)	162.22	−0.2	4.28	23.66	2.96	139.58	158.32	158.73	155.89	108.40	164.88 (24/9)	104.48 (2/3)	164.88 (24/8/71)	72.74 (8/11/66)
22	Textiles (21)	177.59	+0.7	3.63	18.09	5.08	176.43	173.04	179.24	171.13	133.12	163.27 (7/9)	137.81 (2/3)	253.72 (17/8/68)	89.90 (20/7/62)
23	Tobacco (3)	231.34	−0.1	2.44	10.60	5.71	231.40	226.99	222.96	216.91	195.06	954.47 (27/7)	170.99 (20/1)	305.02 (30/1/69)	94.34 (13/6/62)
24	Toys and Games (6)	47.28	+2.1	0.84	118.53	3.12	46.32	46.27	46.19	45.76	57.13	69.03 (12/1)	44.90 (9/9)	135.72 (16/1/70)	44.90 (9/9/71)
	OTHER GROUPS														
23	Chemicals (19)	189.64	−0.7	6.92	12.25	3.43	101.22	187.74	197.65	194.66	184.35	200.29 (7/9)	138.18 (10/2)	201.22 (31/1/69)	83.29 (26/6/62)
26	Office Equipment (10)	178.50	−1.5	3.71	99.96	1.37	181.23	186.56	193.97	189.24	135.00	912.05 (16/7)	153.52 (15/2)	912.05 (16/7/71)	109.12 (26/6/70)
27	Shipping (10)	310.99	+0.2	8.61	12.03	3.16	318.04	312.41	311.65	308.58	336.44	362.60 (7/9)	269.76 (18/4)	363.44 (9/10/70)	90.80 (29/8/62)
28	Miscellaneous (unclassified) (44)	194.97	+0.4	3.39	12.13	3.55	194.13	121.28	122.96	186.99	140.62	194.87 (8/10)	126.66 (2/5)	194.27 (8/10/71)	79.52 (15/11/66)
29	INDUSTRIAL GROUP (498 SHARES)	173.70	—	5.36	16.64	6.52	172.77	170.68	170.45	168.36	—	176.61 (14/9)	120.61 (2/3)	176.31 (14/9/71)	120.31 (2/3/71)
30	Oil (2)	339.26	+0.0	8.09	16.41	5.77	322.23	322.26	328.61	333.29	995.95	333.60 (2/7)	260.74 (2/3)	431.66 (29/5/69)	87.25 (29/6/62)
51	500 SHARE INDEX	199.34	+0.1	3.47	19.28	6.39	186.16	184.05	183.96	121.30	148.97	190.63 (2/9)	132.46 (2/3)	193.73 (31/1/69)	84.86 (26/6/62)
32	FINANCIAL GROUP (121)	177.84	+0.3	—	—	2.70	177.32	173.04	174.11	172.55	123.52	178.42 (24/9)	110.73 (10/2)	178.49 (24/9/71)	69.38 (30/8/65)
33	Banks (6)	183.26	+0.1	7.57	15.91	9.70	182.01	177.07	175.27	172.69	109.83	189.94 (27/7)	101.65 (8/1)	122.94 (27/7/71)	69.25 (16/6/64)
34	Discount Houses (6)	195.09	−0.2	—	—	4.17	185.44	184.63	183.40	184.66	131.67	186.04 (28/9)	130.72 (16/1)	198.04 (28/9/71)	97.65 (13/6/69)
33	Hire Purchase (6)	293.53	+0.4	4.34	23.07	2.58	292.32	287.54	277.73	273.71	204.71	306.24 (8/9)	188.67 (12/1)	306.24 (2/9/71)	80.02 (3/8/65)
36	Insurance (Life) (9)	161.68	−0.6	—	—	9.99	169.57	160.86	160.92	160.12	127.20	170.47 (20/9)	123.16 (18/1)	170.47 (20/9/71)	61.33 (30/8/66)
37	Insurance (Composite) (9)	139.51	+0.6	—	—	3.10	138.49	136.77	137.12	135.24	89.92	140.87 (23/9)	89.80 (10/2)	140.97 (23/9/71)	64.40 (16/3/66)
39	Insurance (Brokers) (11)	179.11	+0.4	4.94	20.26	2.55	179.42	177.67	176.61	175.12	113.96	197.56 (27/9)	119.27 (4/1)	197.56 (27/8/71)	32.52 (24/7/68)
5a	Investment Trusts (20)	197.02	+0.9	9.89	34.62	2.69	126.01	194.29	193.20	191.81	166.39	202.35 (8/9)	162.16 (2/3)	215.04 (31/1/69)	20.84 (28/6/62)
40	Merchant Banks, Issuing Houses (14)	182.99	+0.7	—	—	2.13	191.40	179.03	179.46	178.44	130.74	187.24 (24/9)	108.44 (16/3)	197.24 (24/9/71)	50.47 (15/7/66)
41	Property (31)	224.64	+0.1	2.72	36.72	2.20	224.44	283.00	221.60	221.19	157.57	228.72 (25/8)	139.37 (3/3)	226.72 (26/8/71)	56.01 (20/4/65)
42	Miscellaneous (9)	186.33	−0.1	6.53	19.09	4.02	186.49	185.25	184.30	193.65	—	186.49 (7/10)	120.73 (4/1)	186.49 (7/10/71)	120.06 (31/12/70)
43	ALL-SHARE INDEX (621 SHARES)	184.13	+0.1	—	—	3.35	188.88	191.71	121.41	179.25	142.39	197.32 (6/9)	120.47 (2/3)	187.82 (8/9/71)	83.72 (25/6/62)
	COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)														
44	Rubbers (10)	250.08	+0.9	9.20	10.76	7.26	247.95	246.91	238.39	237.60	145.05	250.08 (8/10)	163.62 (7/4)	250.08 (8/10/71)	84.68 (25/8/66)
45	Teas (10)	99.42	−0.4	16.00	6.25	9.01	99.80	99.72	99.23	98.98	77.01	92.80 (7/10)	78.71 (3/3)	114.64 (14/5/64)	59.96 (14/11/66)
46	Coppers (4)	257.33	−1.0	68.99	1.43	19.20	259.86	262.23	259.94	265.34	289.89	350.50 (12/7)	253.80 (21/1)	350.50 (12/7/71)	94.08 (29/4/62)
47	Mining Finance (11)	80.91	+0.4	7.00	14.29	4.10	80.90	78.66	78.60	77.88	127.40	106.79 (7/7)	77.88 (4/10)	176.90 (28/4/69)	77.88 (4/10/71)
48	Tins (8)	71.99	+1.9	10.07	0.11	8.53	70.72	70.53	70.50	70.20	64.15	74.77 (20/7)	62.11 (4/1)	108.97 (29/6/66)	54.83 (27/5/70)

	FIXED INTEREST	Friday, Oct. 8 Index No.	Friday, Oct. 8 Yield %	Thurs. Oct. 7	Wed. Oct. 6	Tuesday Oct. 5	Monday Oct. 4	Friday Oct. 1	Thurs. Sept. 30	Year ago (approx)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	8.55	8.59	9.62	8.58	9.58	9.66	8.69	9.27	—	—	—	—
2	20-yr. Govt. Stocks (6)	86.13	‡7.46	96.96	85.86	85.89	85.91	86.23	84.80	74.20	86.32 (27/9)	70.60 (14/1)	115.42 (11/9/63)	68.43 (15/6/70)
3	20-yr. Red. Debentures & Loans (15)	78.61	‡9.34	78.53	79.44	78.30	78.24	79.35	79.47	71.69	72.61 (8/10)	68.42 (4/1)	116.43 (23/10/65)	66.30 (16/6/70)
4	Investment Trusts Prefs. (15)	77.02	9.60	79.99	75.94	75.65	74.67	74.80	74.60	70.34	77.02 (8/10)	66.23 (11/1)	114.41 (15/9/65)	66.25 (11/1/71)
5	Commercial and Industl. Prefs. (20)	83.53	0.23	93.37	83.12	82.03	82.90	82.54	91.63	79.73	93.39 (8/10)	69.02 (13/1)	114.41 (7/10/65)	30.03 (15/1/71)

Section or Group	Base Date	Base Value
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	182.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
All Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

CONSTITUENT CHANGE: Seafield Amalgamated has been replaced by Kulim Group (Rubbers).

Floods hit tourists in Benidorm

Financial Times Reporter

HUNDREDS of British tourists are being diverted to other resorts because of floods which have caused the evacuation of hotels in the Benidorm area of Spain.

Thomson Holidays said last night that about 1,000 people scheduled to travel to Benidorm this week-end will be offered alternative tours in Majorca and Ibiza. On Friday nearly 400 people were given this alternative or a full refund of their money, the spokesman said.

The weather had improved and the resort was beginning to return to normal, Clarksons Holidays reported last night.

Three of their hotels had been hit by the floods, but alternative accommodation had been found for the 800 people affected.

Clarksons are diverting nearly 1,000 passengers to Majorca to-day.

Mr. D. R. Waller, deputy managing director of Global of London (Tours and Travel) and chairman of the Association of British Travel Agents, said conditions were improving in Benidorm and his company hoped to resume flights during the week-end.

Global had diverted about 240 passengers to Majorca. Two of the company's hotels had been evacuated because of water damage to electrical equipment.

Moscow flights for Lufthansa

LUFTHANSA, the West German national airline, will operate two weekly scheduled non-stop flights between Frankfurt and Moscow next year with Boeing 727 jets. The service will start around February 1, the airline said yesterday.

Flights will depart from Frankfurt on Mondays and Thursdays at 1200 GMT, arriving in Moscow three hours later. Return flights will depart on the same days at 1545 GMT. Lufthansa aircraft will fly via the Czechoslovakian city of Eger and will not overfly East German territory.

Aeroflot, the Russian national airline, will operate an equivalent number of frequencies via East Berlin. Its aircraft will not enter West Germany via the corridors used by BEA and Pan American, but will divert into the territory of the Federal Republic also via Eger and then fly to Frankfurt along the same route as Lufthansa.

EEC CUTS BUTTER SUBSIDY

Reports from Brussels last night said the EEC would cut its export subsidy on package butter sold to Britain after the price increase by some of Britain's other suppliers. From Monday the subsidy will be cut to $58 per 100 kilos. Denmark and New Zealand recently increased their prices for Britain by about £20 a ton.
Reuter

MONEY + EXCHANGES

Large surplus

Bank Rate 5% (Sept. 2, 1971)

Credit was in very good supply in the Discount market yesterday, and the authorities did a very large amount of mopping up by selling Treasury bills both to the houses and banks. An excess of Exchequer disbursements over revenue payments, and the foreign exchange settlement were in the market's favour.

A rate of 4-4½ per cent. was paid in the early stages for secured day-to-day loans, but this fell away to as low as 1 per cent. by the close. At the Treasury bill tender the average rate of discount fell 0.0472 per cent. to 4.9763 per cent. bringing the reduction since the cut in Bank Rate on September 2 to 1.1259 per cent.

In the inter-bank market overnight loans opened at 4¼-4½ per cent., but declined steadily to around 1½ per cent. and even ½ per cent. in places.

Oct. 8	Sterling certificate of deposit	Inter-bank	Local Authority deposits†	Local Auth. negotiable bonds	Finance house deposits	Inter-company loans	Discount market deposit	Treasury bills ‡	Bank bills ‡	Fine trade bills ‡
Overnight	—	½-4⅛	2-4½	—	—	5-5⅜	1-4⅛	—	—	—
2-days notice	—	—	4¾-5			5¼-5½		—	—	—
7-days or 7-days notice	—	4½-5	4⅞-5¼	—	5⅛-5¼	5⅛-5⅝	4½-4¾	—	—	—
One month	5⅛-5	4⅞-5½	5-⅛	[illegible]	[illegible]	5⅛-5¾	—	4.67-73	[illegible]	—
Two months	[illegible]	4⅞-5¼	5⅛-5¼	[illegible]	5⅛-5⅝	5⅛-5¾	—	4.70-73	[illegible]	—
Three months	[illegible]	[illegible]	5⅛-5¼	[illegible]	5¼-5½	5⅝-5¾	—	4.72-75	[illegible]	5⅛-5½
Six months	5⅝-5¼	5¼-5⅝	5⅜-5½	[illegible]	5⅝-5¾	5⅞-6	—	—	5-5½	5⅛-5¾
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	5⅝-6	6-6¼	—	—	—	—
One year	[illegible]	[illegible]	5⅞-6	5⅝-5⅞	6-6¼	6⅛-7	—	—	—	—
Two years	6⅝-6¼	6⅛-6¼	6⅝-6¾	[illegible]	6⅛-7	6	—	—	—	—

† Local authorities and finance houses seven-day notice, others seven-days fixed. * Nominal longer-term mortgage rates: three-years 7⅜-7½ per cent., four years 7¾-7⅞ per cent., and five-years 7⅝-7⅞ per cent. ‡ Bill rates in table are buying rate for prime paper. Buying rate for 4-month bank bills 4⅞-4⅝ per cent., and for 4-month trade bills 5⅛-5⅜ per cent. Approximate selling rate for 1-month Treasury bills 4⅝-4⅞ per cent., for 2-month 4⅝-4⅞ per cent., and for 3-month 4⅞-4⅞ per cent. One to three-months bank bills eligible for re-discount at the Bank of England were quoted for sale in places at 4½ per cent. and one to three-month trade bills at 5 per cent.

Finance House Base Rate (published by the Finance Houses Association) 6 per cent. from Oct. 1. Clearing banks' deposit rate (for small sums at 7-days' notice) 3 per cent., and Base Rate for lending 5 per cent.

EXCHANGES AND BULLION

Sterling again closed firmer against the dollar in London inter-bank dealings at $2.4903-$2.4908, compared with $2.4890-$2.4895 on Thursday. This is the highest closing rate since floating began in August, and compares with a high for the day of $2.4923-$2.4926. Trading was again rather thin. Short term Euro-dollar rates were easier but longer periods remained firm. The 3-month pound hardened slightly to 1.19½ cents premium and the 6-month to 1.50½, but the 12-month eased to 0.95. The dollar lost ground to most major currencies, and the Belgian franc reached its best level since floating at Frs.4.668.

Gold was fixed at $42.50 (£17.057) an ounce in London in the morning and at $42.45 (£17.039) in the afternoon. Business was reported as being quiet and the closing quotation was $42.40-42.60, unchanged on the day. There were no changes in gold coins. In Zurich gold ended at $42.45-42.60, unchanged. In Paris the 12½-kilogramme gold bar was fixed at Frs.7,401 a kilogramme ($42.63 an ounce, up 6 cents at the financial franc exchange rate) at noon, and at the same level in the afternoon. The one-kilogramme ingot was fixed at Frs.7,405 ($42.68 an ounce). Turnover at the Bourse meeting was Frs.3m. Hong Kong raised gold 11 cents at $43.98.

EURO-CURRENCY INTEREST RATES ◇

Oct. 8	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W. German mark	Swiss franc
‡Short-term	5¾-4¼	5⅛-5⅝	4-4¼	4⅝-5⅛	6-8⅛	0-5¼
7-days' notice	—	5¼-5½	4½-4¾	4⅝-5¼	6-8⅛	1¼-3¼
Month	4⅜-4⅞	5⅛-5⅝	[illegible]	5-5⅝	5⅝-8⅛	1¼-3¼
Three months	4⅝-5	5⅝-6⅛	[illegible]	5⅝-5⅝	5⅝-6	1⅛-1½
Six months	5⅞-6⅛	5⅞-7¼	[illegible]	5⅝-6	5⅝-6	2⅛-2½
One year	6¼-7½	7⅛-7¼	6⅝-6⅞	5⅞-6⅛	5⅝-6	3½-3⅞

Longer-term Eurodollar deposit rates were quoted nominally as follows: two-years 7⅜-7⅞ per cent., three-years 7⅞-8⅛ per cent., four-years 8⅛-8⅜ per cent., and five-years 8⅛-8⅜ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 6⅛-6¼ per cent., three-months 7-6⅞ per cent., six-months 7⁵⁄₁₆-7⅛ per cent., one-year 7⁵⁄₁₆-7⅜ per cent.

◇ Rates are in some cases nominal.

‡ Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

EXCHANGE CROSS-RATES

Oct. 8	Frankfurt	New York	Paris (c)	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.512-313	59.75-85	7.655-136	8.251-254	98.60-70	83.50-60
N. York	30.165-175	—	18.072-120	2.141-144	2.4910-4913	29.775-780	25.210-220
Paris (c)	167.06-17	5.531-655	—	11.848-254	13.766-797	164.24-94	139.58-70
Brussels	14.10-12	46 65-70	8.43.44	—	116.30-35	13.50-91	11.74-79
London	8.241-251	2.49-491⅛	13.77⅞-78⅛	114.15-35	—	8.36-37	9.87-88
Am'd'm	101.37-42	3.35⅞-⅛	60.67-72	7.17⅞-7⅛	8.361⅛-5⅛	—	84.63-74
Zurich	119.45-65	3.965-967	71.60 70	8.442-462	8.865-875	117.70-90	—

U.S. $ on Montreal 1.001½-⅝. Canadian $ on New York 0.9945-0.9948. (c) Commercial

FOREIGN EXCHANGES

Oct. 8 1971	Bank Rate %	Day's Spread	Close
New York	6	2.4815-.4915	2.49 49¼
Montreal	5¼	2.50 .51	2.501¼-.501½
Amst'dam	6	8 35 39	8 36-37
‡Brussels	5½	116 00-116.00	116.15 116.35
Copenh'gn	7½	18 4 12	18 36½-37½
Frankfurt	5	8 23 28	8.24½-.25½
◆ Lisbon	Δ3¾	67.50-68 50	68.00-50
Madrid	↑6	171.75-172 50	172 05 172 31
Milan	6	1,520 1,530	1,523¼-24¼
Oslo	4½	17.02 .07	17.05 .06
‡ Paris	6½	13.75 .80	13.77½-.78½
Stockh'lm	6½	12.45 .51	12 49 50
Tokyo	5¼	816-835	817-827
Vienna	6	59.75-60 55	59.95 60.25
Zurich	3¾	9.83-.88	9.87 9.88

♦ The rate given is that quoted in London. Transactions may be possible at a different rate through the Bank of Portugal. † Convertible account. Δ Bank of Portugal discount rate. †† Basic discount rate. ‡ Rates given are for commercial franc. Closing financial franc rate 13.

OTHER MARKET RATES

Argentina	◆12.35-12.45	¶Note rates	
Australia	2.1423-2.1514	Argentina	12-21
Brazil	13.55-13.73	Austria	59¼-61¼
Greece	74.25-74.65	Belgium	115-118
H'gKong	14.545-14.814	Brazil	17-18
Luxemb'g	116.75-117.00	France	13.56-13.55
Malaysia	7.385-7.59	Germany	8.05 8.30
N.Zealand	2.1347-2.1433	Italy	1505-1530
S.Africa	1.7179-1.7243	Japan	860-890
U.S.		Neth'rl'n'ds	8.65-8.85
Canada		Spain	170-175
$01=U.S.		Switz'land	9.75-9.95
cents	99.42-99.47	U.S.	2.50-51

¶ Rates quoted by specialist dealers. Other rates may be quoted elsewhere. ◆ Commercial account. Financial rate not available.

FORWARD RATES

—	One month	Three months
New York	⅜-¼ c. dis	1⅛-1¼ c. dis
Montreal	[illegible] c. dis	⅞ 1⅛ c. dis
Amst'dam	¼-1¼ c. dis	¼-1¼ c. dis
Brussels	par-20 c dis	10 c pm 15c. dis
Copenh'n	1-6 ore dis	10-19 ore dis
Frankfurt	¾-1¾ pf. dis	1⅛-2⅛ pf dis
Lisbon	10 c pm-10 dis	30 c pm-05c dis
Milan	2 lire pm 2 lire dis	2½ lire pm-1½l. dis
Oslo	6-1 ore pm	4 ore pm-1ore dis
Paris	3 ore pm par	14 0 c. pm
Stockh'lm	¾-1¾ ore dis	2⅛-3⅛ ore dis
Vienna	20 gro. pm-20 dis	30 gro. pm-20 dis
Zurich	3¾-2¾ c. pm	10-9 c. pm

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept. 28	Oct. 11	Dec. 30	Jan. 11
Oct. 12	Oct. 25	Jan. 13	Jan. 25
Oct. 26	Nov. 6	Jan. 27	Feb. 8

A moderate day's business was seen yesterday in the Option market. "Calls" were done in Fisons, Wimpey, Metals Exploration, Yarm Investments, De Beers, Armour Trust, Lonrho, Tissus Michels, Western Credit, National Carbonising, Marks and Spencer, British Leyland, Barclay Securities, Triumph Investment, Hanson Trust, Mario and Franco, Marley Tile, British Printing, Tesco, Turner and Newall, Wm. Press and Western Mining.

"Puts" were arranged in British Petroleum and Poseidon, while "doubles" were completed in Poseidon and De Beers.

Prices in pence unless otherwise stated.

Industrials							
A. P. Cement	18	G.U.S. "A"	22	Reed Intl.	22	Mines	
Barclays Bank	30	Guardian	14	Slater Walker	20	Anglo Amer.	50
Beecham	18	Guest Keen	30	Tesco	5	Broken Hill Prop.	62
Boots Drug	11	Hawker Sidd.	20	Thorn 'A'	25	Charter Cons.	22
Bowaters	15	Hay's Wharf	20	Tube Inv.	23	Charterhall Fin.	4
B.A.T.	20	House of Fraser	17	Unilever	20	Cons. Gold	25
British Leyland	3	I.C.I.	17	Utd Drapery	13	De Beers Def.	13
British Oxygen	3	"Imps"	6	Vickers	7	F. S. Gedold	52
Burton "A"	13	I.C.L.	20	Woolworth	6	Great Boulder	90
Butlin's	3	Int. Stores	7			Hampton Areas	13
Cadbury's	7	Inveresk Paper	5	Property		Hampton Props.	9
Cannon St.	6	Jessel Secs.	23	Cap Counties	2	Kloof	20
Courtaulds	10	Legal & General	29	Land Securities	19	Lonrho	10
Debenhams	14	Lloyds Bank	30	Peachey	2	Loraine	5
Distillers	11	"Lofs"	9	Star (Gt. Brit.)	20	Metals Explor.	96
Dunlop	13	"Mams"	14	Town & City	12	Newmetal	3
E.M.I.	12	Marks & Spenc'r	12	Town & Comm.	14	Poseidon	£2
Fisons	13	Metal Box	22			Pres. Steyn	20
F.R.A. Trust	12	Midland Bank	30	Oils		Rio-T. Zinc	15
Gen. Accident	12	Nat West Bank	30	Brit Petroleum	39	Welkom	13
General Electric	3	P. & O. Defd.	15	Burmah Oil	31	West Areas	3
Glaxo	30	Plessey	10	Oil Search	4	Western M'ng	12
		Rank Intl.	11	Shell	29	Zambia Copper	7
		Rank Org. "A"	52	Ultramar	24		

Don't delay on Export Board—Tennant

BY ARTHUR SMITH

A WARNING about the danger to export promotion caused by delay in setting up the proposed British Export Board was given last night by Mr. Peter Tennant, Director-General of the British National Export Council.

Speaking in London, he said: "We have been waiting for five months to know who is to be the chairman of this new body, and who will be the nine other businessmen selected to form the new Board.

"I hope, I very much hope, it will not be like Samuel Beckett's play, 'Waiting for Godot', in which this fantasy figure never appeared."

'Serious business"

Export promotion was "too serious a business to be the plaything of the caprice of politicians," Mr. Tennant declared.

Until the Board has been formed, no one would really know how or what work it would carry out, but it seemed that the services of nearly 400 businessmen who had served on the council and committees of BNEC would be dispensed with.

Mr. Tennant went on to express misgivings about the new board being run by civil servants. The BNEC had brought businessmen together to promote Britain's business. "They are the only people who can do it. Civil servants are not businessmen—it's not their job to be."

The taxpayer, unlike the shareholder, was a reluctant contributor and not an entrepreneur. The public servant could not, therefore, afford to take the risks which were second nature to the businessman, Mr. Tennant argued.

The Department of Trade and Industry said yesterday that there was no firm indication as yet who the chairman and members of the new Board would be. No moves were imminent, but the Board was expected to be operational by January next, a spokesman stated.

Leniency can be harmful, says Hailsham

TOO LENIENT fines and prison sentences can seriously harm the administration of justice, Lord Hailsham, the Lord Chancellor, said in London yesterday.

In his presidential address to the Magistrates' Association, he said a Court of Appeal could put right a too severe sentence, but there was no appeal against undue lenience except in the rarest case.

"This does set the judicial administration a problem. A court or a judge can do a lot of harm if his general pattern of sentencing is too low, whether it is fines or custodial sentences."

Dollertone 3
Finnish Export Credit 6¾pc 1975 $US98¾◆
[illegible]◆
[illegible]at 176
Gulf Oil of Canada £12¾◆
Genoa Oil 36
Grangl Minerals 8
[illegible]nd Lease 14½
Little Long Lac 60
Mount Hope 3
Mogalian Petroleum 90◆ 87
Mining Cp. of Aust. 113◆ ¾
Mining Finance 19◆ 17◆
Mogul Mines 3
Nicholas International 34½
National Nederlanden 955
North Flanders 16◆ 15½◆
National Bank of Australasia 150◆
Inshore Oil ¾
Ocean Resources 4◆
Pacific Petroleum £16⅝
Planet Gold 5
Philip Morris $US65¼
Rinascenti (La) 21
Steel Co. of Canada £11¼◆
Sedimentary Uranium 3◆
Silver Valley Minerals 10
Tokyo Marine and Fire Insurance $US [illegible]24¾◆ 5◆
Unilever (Fl.261 16¾
Western Compass 5
Woolworth Holdings A 166

OCTOBER 5

Assd. Aust. Oil 41◆
American Tel. Tel £21⅞◆ 2
Adams (Wm.) (Aust.) 52½ 3
Aust. Foundation 32½
Atkinson Oates 65
Amal. Petroleum 4½
Anglo Utd. Dev. 50½
Allied Minerals 1e
Acmex Hldgs. 7¼
Aust. Paper Mfrs. 75
B.G. Shoes Leather 69
Brown Forman Dists. Class B £14¼
Brit. Controlled Oilfields 16
Brascan Tractions 11-16ths 66
Clarence Oil Mineral 2½
Delta Minerals Opts. 1◆
General Telephone Electronics $US29¾
Greenbushes Tin 12
Holne (H. J.) £21¼◆
Hewlett Packard £20¾
Hong Kong Tramways 132
Hong Kong Electric 257
International 516a 5
Keywest Ex. 2½
Loloma Mines 44
McIntyre Porcupine Mines £34½◆
Omega Oil 3◆
Reserves and Mining 43 2
Travelodge 32
Tasminex 26
Thomas Nationwide Transport 77½
Tonnecc Inc. £12⅞
Target Petrlm. 1¼◆
Tri Continental £14½ $US27¾
United Petroleum Reserves 4½
Volkskas 155◆
Woolworth (F. W.) £25⅝◆ 5
Waltons 47
Willroy Mines 34

OCTOBER 4

Acmin Ex. 3¾
Aust. Oil Gas 12
Anchor Hocking Glass £16
Algoma Steel 612
Bank of Adelaide 95
B. G. Shoe Leather 68½
Commercial Bank Aust. (A.R.) 168
Delta Minerals 2. Options 1◆
Earl Scheib Inc. £16¼◆
Eurunion £18½
Fraser and Co. 195 4½ (29/9). Omitted
Genoa Oil 2 3
Harbourside Oil 1½
Hawker Siddeley (Canada) 120
Hill Minerals 2
Kamilaroi 5
Karangi Minerals 8½
Lower Perak Tin Dredging 19◆
Nippon Oil 20◆
Pan Continental 30◆ 1½◆ 2 4
Perkin Elmer £25⅛
Standard Oil New Jersey $US71¾◆ £36½
Scamander Mines 6◆ 6
Southern California Edison £14⅝◆
Sherritt Gordon Mines 660
Shell Investment Warrants 755
Swan Breweries 96
Slater Walker (Canada) 666
Sleon Rock and Iron 100
Tenant Creek Metal 10◆
Target Petrlm. (pv. pd.) 2
Tongkah Harbour Tin 31
Western Collieries 94
Westfield Devel. 145
Western Union £21⅝

(By permission of the Stock Exchange Council)

ACTIVE STOCKS

YESTERDAY—

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Rio Tinto-Zinc ...	25p	13	200	+ 1	270	184
De Beers Defd. ...	R0.05	14	108	—	258	173
Imp. Chem. Inds.	£1	15	315	− 6	335	230
Walker McConnell	50p	12	120	+ 5	120	68½
Charter Cons.	25p	12	190	+ 2	271	178
Money Group ...	25p	11	108	− 6	114	51½
Assoc. Brit. Maltsters	25p	11	113	+10	113	45½
Burmah Oil	£1	11	420	—	477	297½
Shell	50p	11	157	− 1	199	124
Bridge Stableford	5p	11	27½	− 2	29½	13½
Brit. Petroleum ...	£1	10	918	+10	628	403
Courtaulds	25p	10	123	− 2	136	107
Newman Inds. ...	25p	10	95	+ 8	05	50
P & O Defd.	£1	10	153½	+ 3½	206½	143
Reed Int 10%Uns. 04-09	£100	10	£105½	—	£105½	£89½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e) and reproduced to-day in Stock Exchange dealings.

IN THE WEEK—

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on week	1971 high	1971 low
Rio Tinto-Zinc	25p	79	200	+ 1	270	184
Imp. Chem. Inds.	£1	78	315	+ 5	335	230
Marks	25p	73	61	− 4	113	49
De Beers Defd.	R0.05	67	198	+21	258	173
Shell	50p	65	157	−18	189	124
Rank Org. "A"	25p	61	720	−60	960	667½
Marks & Spencer	25p	59	303	—	331	194½
Nat. Westminster	£1	59	584	+32	630	323½
Union Corpn.	R0 00½	58	148	+22	223	123
Burmah Oil	£1	56	420	−10	477	297½
Beecham	25p	55	327	+12½	336	225
Assoc. P. Cement	£1	53	376	+11	383	226½
Brit. Petroleum	£1	53	618	+ 8	628	403
Unilever	25p	53	318	+ 8	340	215
Court Line	25p	50	151	+ 7	200	119

NEW 'HIGHS' AND 'LOWS' FOR 1971

New "Highs," which were too numerous to name individually, were attained by 185 securities and are listed below in their sub-sections. New "Lows" totalled 10

NEW "HIGHS" (185)

BRITISH FUNDS (21)
CORPORATION LOANS (6)
COMMONWEALTH AND AFRICAN LOANS (2)
PUBLIC BOARDS (3)
AMERICANS (3)
CANADIANS (1)
BANKS (3)
BEERS (1)
BUILDINGS (15)
CHEMICALS (1)
CINEMAS (1)
DRAPERY AND STORES (6)
ELECTRICALS (6)
ENGINEERING (13)
FOODS (8)
HOTELS (2)
INDUSTRIALS (37)
INSURANCE (1)
MOTORS (6)
NEWSPAPERS (1)
PAPER AND PRINTING (4)
PROPERTY (12)
TEXTILES (6)
TRUSTS (12)
UTILITIES (1)
OILS (3)
RUBBERS (4)
TEAS (2)

NEW "LOWS" (10)

BEERS (1)
Glenlivet Glen Grant
ENGINEERING (1)
Metal Traders
MINES (8)
Government Areas — New Broken Hill
W.R.I.T. — Peko-Wallsend
F.S. Geduld — Westmer
Coronation Synd. — Sabina Inds.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds ...	37	—	11
Corps. Dom. and Foreign Bonds	27	4	102
Industrials	460	273	983
Financial & Prop.	149	69	324
Oils	10	9	18
Plantations	11	8	69
Mines	30	31	117
Recent Issues ...	17	6	89
Totals	741	404	1,707

ERRATA

Cavenham Ord 126½ should have been 136½ (5/10)
British Elect. Traction Old. Ord. 138½ 9½ should have been 126½ 9½ (5/16)
Pullman (R. J.) Ord. 21 should have been 62 (6/16)
English China Clays 6¼pcOb. (1985-90) 84½◆ 3½ etc. should have been Ord. (6/16)
Costa Rica 5pcStb.Fndg.Bonds 1933 (Enfaced) should have been marked 128 (1/10)
Ambrose Inv. Trust Income Shares 44 should have been 41 (6 10)
Jenkins (Tudor) Co. Ord 144½◆ ½ 5 should have been 44◆ ½ 5 (7/10)
Eden Fisher Hldgs Ord 51 should have been 81 (7.10)
Cavenham 6½pc-1st.Cum.Pf. should not have been marked 64½ (7/10)
Watney Mann Ord. 157½ should have been 151½ (7.10)
Dunford Elliott (Sheffield) Ord. 57 should have been 51 (7.10)
Lex Service Grp. 6½pcCum.Pf. 62½ should been 72½ (7 10)
Cohen (George) 606 Grp. 6½pcUns.Ln.Stk (1975-86) 95½ should have been 82½ (7/16)

CORAL INDEX
Close 418-423

BRITISH CREDIT FOR FINLAND

The Export Credits Guarantee Department has guaranteed a line of credit enabling the Finnish company Rauma-Repola Oy to purchase from British manufacturers up to £1m. of machinery, equipment and associated services.

REGIONAL MARKETS

Prices in pence and denominations of 25p unless otherwise stated

BELFAST

B'last C3½% 1971	296	......
B'fast Rope £1	73	......
Hughes (B) £1	150	......
Unicarrite	107	......

IRISH EXCHANGE

Exch 6½% 80/85	£78.67	+15
Alliance Gas £1	98	......
Cement Road	68¾	+1¼
Carroll Pr.	51	......
Concrete Prod.	32	......
Goulding	54	−1
Heiton (Hldgs)	67	......
Irish Distillers	109	......
Irish Wire Bds	75½	......
Jacob	58	......
Ryan Tr'd's 20p	106	+1
Silvermines (5p)	12	......
Smith Group	64	......
Sunbeam	52½	......
Unidare	25	......
W'ford Glass 5p	54½	+½

MIDLANDS & WESTERN

B'ham Post A.	43	......
Castings 10p	31	......
Clough (A) 5p	17½	......
Dunn W. R. 10p	10½	......
Econa (10p)	33	......
Evans Frdk 10p	46	......
Avered	56xd	......
Fordham Bd 5p	75½	−1
Frost & Reed 50p	100	......
Gardiner £1	80	......
Gordan J. S.	14½	......
Graig Ship £1	285	......
Hal'm Sl'gh 10p	14	......
Hill (Chas) £	127½	......
Kleen-e-ze	44½	......
Lovell's Ship £1	63	......
LyeTr'ding 10p	23½	......
Pearce C. H.	32½	......
Penarth, Eng.	83	......
Sindall (Wm)	44½	......
Smith (Herm)	10	......
Supra Chem.	37½	......
Vincent (H.)	30xd	......
Watsham's	30	......
Wykes (Leic) 10p	28	......

NORTHERN EXCHANGE

Albany Inv. 20p	42	......
Ash Spinning	22	......
Belgrave M 20p	e	......
Bibby & Baron	57	......
Booth Chas. 10p	25	......
Brady (G.)	82	......
Braime (T & J)	40	......
Bridgw'r Est 20p	127½	......
Brit. N'th'p 50p	37	......
Bury Ring 20p	2¼	......
Clover Croft	22	......
Cromer Ring £1	52	......
Dyson R.A. 'A'	40	......
Ellenroad	59	......
Eng. Nat. Inv. £1	56	+½
Era Ring	19	......
Gandy	35	......
Gardner (L.)	177½	......
Gaunt (Rd.)	221½	......
Heaton Wm 10p	3	......
Higsons Brew.	135	+2
Hindson Rd 20p	69	......
Holt, Joseph £1	500	......
Ingham (G) 10p	10⅝	......
I.O.M. Stm. £1	126	......
Kenton Cem. £1	405	......
L'pool Grain £1	97	......
Man. Canal £1	253	−½
Most H. & Son	80	......
Nicholas Vim.	120	......
Nthn. Goldsmith.	69	+2
P.M.A.	82½	+½
Peel Mills	11	......
Sayer Conf 12½p	40	......
Swan Lane 33⅓p	10	......
Shiloh Spinn'rs	14	......
Laven't Knit 20p	56	......
Tyzack (W) 10p	36¼	......
Wood (Ed)	9½	......
Wo'dw'd H 12½p	47½	......
Yorks Spin 20p	19	......

SCOTTISH EXCHANGE

Atlas Pl'st'c 10p	11	......
Brunton (M)	22	......
Clyde Paper	2½	......
Coltness Ind.	17	......
Craig & Rose £1	182	......
Dalm're Whyte	33	......
Dykes	130	−10
Galloway (J)	10	......
Hill & Wylie	30	......
Lees (J.J.) 10p	38	......
Mackinnon	77½	......
Morrison & D	11¼	......
Richards (5p)	12	......
Scotcros	34	......
United Wire	58	......

ICI TRANSFER PRINTING UNIT

A textile transfer printing unit is to be set up within the Organics Division of ICI at Radcliffe, near Manchester.

Transfer printing—using dye transfers to colour synthetic fibre fabrics—is a simple, speedy and dry operation compared with traditional dyeing and printing methods, a spokesman said.

The new unit, ICI Imprints, will offer a collection of readily available designs together with an advisory service.

CERTIFICATES FOR BL ENGINES

Three of British Leyland's most popular diesel engines have obtained the latest British Standard Certificate—on which the new smoke and power-to-weight regulations announced by Mr. John Peyton, Minister for Transport Industries, will be based.

BL's quantity-produced lightweight trucks between 5.5 tons and 12 tons already meet the requirements which will apply to diesel engined trucks on April 1, 1973. The engines are the four-cylinder 3.8-litre and six-cylinder 5.1 and 5.7-litre units.

SHARE INFORMATION SERVICE: NOTES

The following Notes relate to Share Information Service:—

Denominations are 25p unless otherwise indicated.

Yields allow for value of declared distributions and rights and are based on middle prices.

Estimated price-earnings ratios and "times covered" are based on corporation tax of 40 per cent. and exclude transitional relief.

* Highs and lows marked thus have been adjusted to allow for rights issues for cash.

† Interim (or quarterly) since increased or resumed.

‡ Interim (or quarterly) since reduced, passed or deferred.

†† Not comparable: net divs. paid.

◆ Figures or report awaited.

‡‡ Banks and Insurances, reserve allocations may preclude calculations of dividend cover.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k After local taxes. m Interim higher than previous total. n Rights issue pending. p*** Pence except where otherwise indicated. q Earnings based on preliminary figures. r Australian currency. s Dividends and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, p/e ratio based on latest available earnings. u Forecast dividend: cover based on previous year's earnings. v Tax-free up to 6s in the £. w Yields allow for currency clause. y Dividend and yield based on merger terms. z Dividends and yield include a special payment: cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Figures based on prospectus or other official estimates for 1971-73. F Figures based on prospectus or other official estimates for 1976. G Assumed dividends and yield after pending scrip and/or rights issue. H Excluding refunds of U.S. Capital Gains Tax. J Figures based on prospectus or other official estimates for 1972. M Figures based on prospectus or other official estimates for 1970-71. N Equivalent rate before additional capital was paid up. P Figures based on prospectus or other official estimates for 1971. R Yields based on 1967 payments. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

§ Price at time of suspension.

¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.

Δ Indicates interim dividend, since paid, where none was paid before.

** Convertible loan stock issue in existence.

● Merger bid or reorganisation in progress.

♣ Special deposit certificates.

♦ Same interim: reduced final and/or reduced earnings indicated.

‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.

§ Assumes all equity capital ranks for dividends.

☆ Cover does not allow for shares which may also rank for dividend at a future date. No p/e ratio usually provided.

⊕ Excluding a final dividend declaration.

✻ Provincial quotations.

‖ No par value.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xrc ex return of capital; xa ex all; xdr ex drawings; xcd ex capital distribution; xpb ex partial bid.

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1971 High	Low	Stock	Closing Price £	+ or —	Gr's Y'ld pc Inter'st £	Redemption £
		"Shorts" (Lives up to Five Years)				
100 7/16	96 9/16	Conv. 6pc 1972	100 3/16	......	6.87	4.58
99 5/16	96 1/8	Gas 4pc 69-72	99 5/16	......	4.03	4.83
101 3/32	98 1/16	Exchequer 6½pc. 1972	101 3/32	......	6.17	4.77
102 1/16	98 1/32	Exchequer 6¾pc 1973	102	+ 1/16	6.62	5.06
97 3/16	92 5/8	Electric 3pc '68-73	97 3/16	......	3.09	6.00
97 1/16	92 5/8	Transport 3pc '68-73	97 1/16	......	3.09	6.00
99 1/16	93 1/4	Treas. 6¼% 1975	99 1/16	+ 1/32	6.27	6.40
98 1/4	93 7/8	Conv. 6½pc 1974	98 5/8	+ 1/8	6.34	6.91
98 7/8	93 3/4	Treas. 6½% 1974	98 7/8	+ 1/16	6.67	6.91
102 3/16	96 3/4	Treasury 6¾pc 1974	102 3/16	+ 1/16	6.61	6.07
81 5/8	84 3/4	Savings 3pc '65-75	81 5/8	+ 1/16	3.27	5.69
99 1/4	92 1/16	Treas. 6% 1975	98 1/4	+ 1/32	6.03	6.11
100 5/8	95 1/4	Exch. 6½pc 1976	100 5/8	+ 1/32	6.45	6.29
100 5/8	93 1/2	Treasury 6¾pc 1976	100 5/8	+ 1/32	6.45	6.88
100	94 3/4	Victory 4pc 1976	97 1/2	......	4.10	6.11
		Five to Fifteen Years				
99 1/2	87 1/4	Funding 4pc '60-90	97 1/4 xd	+ 1/8	4.10	8.07
100	98	Treas. 6¼% 1977	100	+ 1/4	6.28	6.34
99 3/4	86	Electric 3pc 1974-77	99 3/4 xd	+ 1/4	3.65	6.24
90 3/4	81	Transport 4pc '72-77	90 3/8	+ 1/4	4.47	6.05
92 1/2	82 3/8	Exchequer 6pc '76-78	92 1/4	+ 3/8	6.43	6.43
87 7/8	76 3/8	Electric 4¼pc '74-79	87 7/8	+ 5/8	4.84	6.83
95	70 3/4	Do. 3½pc '76-79	95	+ 1/4	4.19	3.10
93 7/8	69 1/8	Treasury 3½pc '77-80	93 7/8	+ 1/4	4.23	3.08
93 1/8	78 7/8	Funding 5¼pc '78-80	93 1/2	+ 1/4	5.74	6.36
91 3/4	67 3/4	Treasury 3½pc '79-81	91 3/4	+ 1/4	4.51	8.17
107 1/4	92 3/8	Do. 8¼pc '80-82	107	+ 1/8	9.11	7.67
88 7/8	71	Funding 5½pc '82-84	88 7/8	+ 1/4	6.28	7.05
105	90 1/4	Treasury 8½pc '84-86	105	+ 1/8	8.27	8.13
		Over Fifteen Years				
98 7/8	76	Funding 6½pc '85-87	97 5/8 xd	+ 1/8	7.38	7.85

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

CANADIANS

S.E. List Premium

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—Gen. Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscell.)

"Recent Issues" and "Rights" Page

INDUSTRIAL (Miscell.)—Continued

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or Amount	Times covered	Gross Yield %	P/E Ratio
61½	45½	Inceldon Lamb.	67	—	16	1.0	6.8	16.4
60	12	Ind.O.Cl'ns 10p	20	+1	6	1.8	3.0	19.0
71	45	Initial Services	70	—	18	1.4	2.4	13.7
28¾	28¾	Inter-City (20p)	28¾	—	d5	1.0	3.5	29.5
175	103	IntComput'rs£1	113	+1	11½	1.5	10.0	7.6
127	109	Int. TimeRec.	126	+9	c20	2.4	4.0	11.9
30	15	Jacks (Wm.)	24	—	—	—	—	—
37½	23	James (John)	37	—½	d12	10.8	2.1	14.6
39½	20	James (M.)(10p)	32	—	d20	3.3	6.3	4.8
405	182	J'rdineM'HK$5	362	+4	h16.9	2.2	1.9	24.4
13	11	Jentique (5p)	23	—	16½	φ	3.6	φ
130	72	Jeyes Group	96	—½	†19½	1.4	5.0	14.6
81	37½	Johnson Cln'rs.	61	—	18	0.2	3.3	61.8
315	212	JohnsonM'thy£1	280	+25	12½	1.9	4.5	12.7
97	62	Judge Int.	77	—½	12	2.5	4.2	18.2
187½	155	Kalamazoo	180	—	133½	1.9	4.6	11.7
105	55	Kangol 20p	98	—	20	2.7	4.1	2.9
95	46	Kelsey Ind.12½p	83	—	24½	2.4	5.8	7.1
70	25	KennedySm20p	60	+2	120	1.9	2.7	9.7
111	75	Kent (Geo.)(50p)	88	—	5	11.8	1.7	54.8
310	210	Kleeman	310	—	‡35	2.0	2.6	12.3
42½	20	Kode Int.	26	—	—	—	—	—
133	82	LRC Int. 10p	129	+1	d40	1.6	3.1	20.7
104	77½	Lamson Inds.	85xd	—	13½	1.5	4.0	16.0
297	112¼	Lancaster Cpts.	298	—1	¶22½	5.4	3.8	11.7
49	32	Launderette 10p	40½	+½	d24	2.0	6.9	8.6
40	25	Lawtex	35	+2	12	φ	8.8	φ
80	30	Leboff Fobel 10p	77xd	—	†d19	1.5	2.5	29.4
41	10	Lebus Harris £1	41	—	B—	—	—	—
140	60	Leeds Assets	118	—	c26	2.2	5.3	2.8
215	120	Lep Group (10p)	198	—14	30	φ	1.5	φ
60	30	Lesney Prods(5p)	34	+2	—	—	—	—
176	131¼	Lewis & Peat	168	—	30	1.5	4.5	16.3
164	117½	Do. "A"	152	+8	30	1.5	4.9	14.0
33	13¾	Liden 10p	29	—	†d7	3.4	2.5	11.3
20½	10	Lindsay Wms.	16	—	—	—	—	—
56¼	32	Lindustries	53	—	112	1.3	1	—

[illegible]

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or Amount	Times covered	Gross Yield %	P/E Ratio
	73	Whitecroft (50p)	109	—	15	1.8	7.6	10.6
	112	Wilkes (J.)	147	—	16	3.6	2.8	14.0
	25	WilkinsMitch'll	52	—	10	1.1	4.8	16.5
	35½	Wilkinson (20p)	42	+1	16	1.1	6.1	15.3
	25½	Do.A.N/V(20p)	45½	—	15	1.1	6.6	14.2
	80	Wilkinson'T'p	190	—	126	3.6	3.3	9.5
	25	Williams (J.)	40	—	10	2.6	6.3	6.2
	40	Wills (George)	68	—	11½	2.0	6.1	9.9
	37	Windsor (5p)	60	—1	d90	2.2	5.6	8.1
	18½	Winn Inds. (5p)	34½	—½	8	2.7	4.6	8.0
	31	Wood Pl'stic (5p)	59	+1	c30	1.6	7.7	7.9
	23½	WillenTissue	45	+6½	15	1.0	8.3	11.5
250	152	Wolstenholme	239	+1	†27	2.2	2.8	17.0
	5	Wood & Sons	9	—	10	2.5	5.6	7.1
8¾	5½	Yatton Furn (5p)	7¼	—	9	1.7	6.2	9.5
23	10½	ZettersPools(5p)	23	+2	d20	1.9	4.3	12.2

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £250 per annum for each security.

†INSURANCE

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or Amount
502	357½	Bowring (C.T.)	497	—	38
100	53¾	BrentnallBd10p	99	—	634
288	160	Britannic 5p	240	—8	1123
482	320	Comm. Union	460	+2	†61
492	271¼	Eagle Star (50p)	474	—2	24
280	250	Economic	280xd	—	45
350	215	Equity&Law(5p)	314	+2	110
302	210	Excess	272xd	+4	38
98	62½	Fenchurch (10p)	82	—	45
95	81¼	Do. "A" (10p)	80	—	45
197	115	Gen. Accident	181	—	†22
268	167	Guardian Royal	283xd	—	†32
132	85⅝	Hammond (L.)	103	—	20
232	111⅞	Heath (C.E.) 20p	218	+5	37
180	78¾	Howden(A)(10p)	164	+1	†42½
372	237½	Legal & Genrl 5p	348	—2	z183
427	297½	Leslie & Godwin	373	—	45
165	113¼	Lon. & Man.(5p)	153	—	†23½
265	240	M'tthew Wr20p	259	—	b40
240½	131½	Mercury (50p)	200	+5	b16.5
365	213¾	Minet Hldgs20p	348	—	430
670	400	Orion £1	660	—	22½
310	226¼	Pearl 5p	290	+8	200
280	172½	Phoenix	271	+7	134
312	190	Price Forbes	305	—	1433½
186	125	Provident 'A'	178	—	28
175	122½	Do. 'B'	170	—	28
194	145	Prudential (5p)	191xd	—1	a84
198	147	Refuge 'B' 5p	179xd	—	135
75	30	Reinsurance	70	+1	10
434	265	Royal	418xd	+4	†52
235	138¾	Sedgwick C. 10p	205	—	†52
358	222½	Staplegreen	288xd	+4	50
89	50⅝	Stenhouse	90	—	†14
526	301	Sun Alliance £1	525	+7	†16½
183	115	Sun Life 5p	172	—	65
810	200	T'sh Mar's EDR	470	—5	11
490	325	Trade Indem.£1	[illegible]	—	30

[illegible]

MACHINE TOOLS

[illegible]

MOTOR, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Aircraft

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

STEELS

[illegible]

TEXTILES—GENERAL

[illegible]

TEXTILES—WOOL

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc.

[illegible]

UTILITIES

[illegible]

OILS

[illegible]

RUBBERS—MALAYSIAN

[illegible]

RUBBERS—MISCELLANEOUS

[illegible]

SISAL

[illegible]

TEAS

India and Pakistan

[illegible]

TRUSTS, FINANCE, LAND—Continued

[illegible]

TEAS—Continued

India and Pakistan (cont.)

[illegible]

Ceylon

[illegible]

MINES—CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND

[illegible]

PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIANS

[illegible]

TIN—EASTERN

[illegible]

TIN—NIGERIAN

[illegible]

TIN—MISCELLANEOUS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

1971 High	1971 Low	Stock	Closing Price	+ or —	Div.	Times covered	Gross Yield / P/E
7⅞	5	Burma Mines (17½p)	6⅝	—	—	—	—
25	17½	Cent.Prov.Mnl(2p)	24	—1	a12	φ	10.6
51	11	Charterhall (5p)	11½	+½	—	—	—
512½	210	Cons. Murch (R1)	230	—5	:80c	2.1	:
£32	£16	G. F. Mg. Ind. Ut.	£32	—	7½	38.0	d10.0
	245	Northgate (C$1)	250	+5	60c	2.9	8.3
276	184	R.T.Z.	200xd	+1	24	1.8	5.0
295	72	Selkirk Inds. (C$1)	72	—3	—	—	—

For Notes, see Stock Exchange Dealings.

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MAN OF THE WEEK

Make yourself necessary

BY COLIN JONES

CORPORATE historians will no doubt enjoy debating whether events would have taken a somewhat different course had Lord Melchett not spent the first four years of the British Steel Corporation's life combining the two roles of chairman and chief executive.

Some may argue that the Corporation—one of the biggest and almost certainly the most complex merger of recent years—is much too large and its problems much too vast in range for one man effectively to preside over the evolution of forward policy as well as chase after current performance while still devoting a major share of his time to holding the Corporation's corner against successive Governments.

Others may be more generous and acknowledge that what might seem ideal on paper may not always work best in practice—because of particular personality problems or because no one could have foreseen just how much time would be taken by the Corporation's dealings with Whitehall, or simply in order to facilitate the implanting of dominant managerial style. Some allowance ought presumably to be made, too, for the personal predispositions of whoever holds the prime responsibility—in Lord Melchett's case the characteristics that come across most strongly are a driving sense of duty (family motto: "Make yourself necessary") and, above all, tenacity.

Tenacious

Both the previous and now this Government have had a taste of this last quality of Lord Melchett's. Back in 1969 he refused tenaciously until the very last day of his old contract to sign on for a new six-year term until he had won an assurance from a divided Labour Cabinet that the Corporation would be allowed to run as a fully commercial concern — including being allowed to pay fully competitive salaries from board members downwards. This year he has has conducted months of wearisome negotiations and fact-finding reviews on the Corporation's future structure and immediate financial needs with a doggedness that almost borders on obstinacy.

There has never, apparently, been any real thought of resignation. This, too, is a measure of Lord Melchett's consistency—right from the time of his first appointment he has made clear his opposition to frequent changes in nationalised industry chairmen. In an industry like steel, he remarked in 1967, "the cycle of events is bound to be long. People should be made to live with the consequences of their decisions. Besides, in a very large industry it would be unreasonable to expect the employees to work under birds of passage."

Plainly his intention is to see through the rest of the present Ministerial review and beyond. The outstanding issues are the most crucial ones—the Corporation's future long-term development strategy, the future basis for Whitehall's sponsoring (and monitoring) role, particularly once Common Market rules begin to apply, and the structure and size of the Corporation's capital debt.

Ground rules

He is the first to acknowledge that these are all questions that only Governments can finally decide. But once the ground rules have been settled, then in Lord Melchett's view State-owned industries should be allowed to operate on private enterprise lines. Hence his attempt last year to get Ministers to agree to a "BP solution" for steel.

This Conservative peer ("a third generation industrial peerage," he calls his title), who was the surprise choice of a nationalising Labour Government, obviously hopes to leave his mark upon the steel industry. Relinquishing the role of chief executive to Dr. Monty Finniston should give him the time to concentrate almost exclusively on the next few crucial months' negotiations—which will decide just what kind of steel industry Britain should have for Lord Melchett or anyone else to leave their mark on.

THE LEX COLUMN

Index fell 1.5 to 420.8

Equity trends remain intact

The argument a week ago was that after a 20.6 point drop in the previous five days, the 30-Share Index had fallen too far and too fast for its decline to be extended much further. This has proved to be the case, with a 13.9 point rise this week taking us straight back into the middle of September's trading range between about 410 and 430.

While the rise in the 30-Share Index this week has been concentrated in two days—Tuesday and Thursday—with marginal falls on the other three, the 500-Share Index has presented a much steadier pattern. Unchanged on Monday, the Index rose steadily thereafter, and the equity market as a whole has looked even firmer than that, with rises outnumbering falls throughout the week. That is consistent with the performance of individual sectors, most of which have moved closely in line with each other. Among those few which have shown noticeable relative strength, some—like HP and tobacco—had also been among the worst performers in the previous week, while others, like contracting and construction, have merely maintained an existing trend.

The basic view of the market seems, then, to remain intact for the moment. The 30-Share Index has scurried back into its post June uptrend, and the market undertone, as shown in the rises to falls ratios, is firm. For the immediate future, however, there remains a psychological barrier of increasing significance, as we enter the second leg of the account. In only three out of the last ten accounts has the market finished the second week higher than the first, and on none of those occasions has the rise shown any real strength.

LMS

One of the deficiencies of the financial/industrial hybrid corporation — the Charterhouse Group being one name that comes to mind—is that the industrial side, often an agglomeration of medium to small-sized subsidiaries, can be regarded as an integral part of the group rather than trading stock on the recent Slater Walker pattern. This criticism, however, cannot be levelled at London Merchants Securities in a year which has seen the sale of Sanitas (toiletries, pharmaceuticals etc.) to LRC, an £8½m realisation on the CM building in New York and, this week, the disposal of its stake in the Rimmel cosmetics business to ITT.

The first two of these deals are behind the reduction in pre-tax profits, which now emerge at £2.72m. for 1970-71 against £3.34m. previously. LMS actually reported £3.72m. of pre-tax profits for 1969-70, but the latest figures have been adjusted to show only the attributable profits on the CM building stake: at £156,000, this contribution is much less than LMS would make if it merely put the sale proceeds on deposit in 1971-72. With Sanitas, on the other hand, LMS was selling relatively cheap earnings which accounts for the drop at the adjusted pre-tax level; however, it has also managed its tax charge to the extent that attributable earnings are in fact £60,000 higher at £1.38m.

In fact the main industrial arms of LMS, Carlton Industries and Invergordon Distillers, have already turned in higher profits for 1970-71 and it is understood that the same can be said for the property side (again, comparing like with like). However, these figures emphasise that LMS cannot be treated as a conventional earnings situation and the group recognises this itself. A note to the results points out that net assets, taking in quoted investments and the quoted subsidiaries at current market prices, have increased to over £50m. against the March 1970 book figure of £21m. This, ex-intangibles, would increase net worth to over 97p a share, neatly in line with the share price which came back 2½p to 98p yesterday. The statement also takes in a property revaluation which suggests that the fun in the shares may be over for the time being; but with £11½m. of extra liquidity in Carlton and £8½m. in LMS itself, this may be a case for a watching brief.

See also Page 18

Lonrho

Ahead of last night's statement Lonrho rallied 5p to 61p and there is certainly relief in the sense that there are no nasty surprises. On trading, the Board repeats the earlier hints with talk of a "most satisfactory" picture. If that means anything at all, it must imply a further significant gain in earnings per share in the year just ended, dropping the historic p/e from 4.8 to presumably nearer 4—truly a disaster rating, even for earnings heavily laced with political and commodity risks.

Unfortunately Lonrho's problems are too varied for one statement to clear them up; in any case, the nature and implications of the South African fraud charges remain open to speculation. And after its whirlwind series of takeovers in the good old days Lonrho is peculiarly vulnerable to speculation, with an abundance of weak holders and few buyers except for the traders.

A tangible reason for the group's malaise is, of course, the slump in platinum demand. Less than a year ago brokers were calculating earnings from the Western Platinum development of some 8.5p per Lonrho share by 1975 (against total 1969-70 earnings of 12.8p). With Rustenburg cutting production by half in the face of huge stocks, those estimates are of little value now.

The platinum slump is a threat to growth rather than to existing earnings. But the Board resignations suggest other problems and it seems logical to link the split, at least partly with the acquisition of the Wankel companies on still undisclosed terms. Lonrho's developing country image may have implied risks and put a strain on widely spread management resources but at least it has a certain consistency, whereas the spread into other operations is asking the stock market to take a lot for granted.

Anglo-French talks expected in November on Concorde

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE TWO MINISTERS in charge of the Anglo-French Concorde programme, Mr. Frederick Corfield, Aerospace Minister, and M. Jean Chamant, French Transport Minister, plan to meet in Paris before the end of this year to review progress on the aircraft.

No date has yet been fixed for the meeting, although reports from France have suggested that it could be some time in November.

The aspect of the programme that will be uppermost in their discussions will be the progress of contractual negotiations with the world's airlines on firm contracts, and the question of settling a firm price for the aircraft.

The manufacturers, British Aircraft Corporation and Aerospatiale, are now understood to feel that a price of about $28m. (nearly £12m.) per aircraft would be adequate to yield a profit, after covering manufacturing costs and taking into account a small levy to provide the two Governments with a return on their research and development expenditure.

At this level the makers feel they can sell the aeroplane to the world's airlines.

But it is understood that the price still has to be approved by the two Governments, and there have been suggestions that perhaps they may wish to raise the amount of R and D recovery levy, thereby putting up the price of the aircraft, perhaps to about $30m. This, the manufacturers feel, might be just enough to price the aircraft out of world markets.

The sales negotiations with the airlines continue to be tough, reflecting the airlines' current financial difficulties, and their determination to force as hard a bargain as they can before committing themselves to Concorde.

Leasing ideas

M. Henri Ziegler, president of Aerospatiale, who returned to France recently after visiting South America with the French prototype Concorde 001, said that he expects the first firm orders "within six months." The view in France appears to be that Air France may sign ahead of BOAC.

With a Concorde sales mission currently in Communist China, considerable emphasis in the sales campaign is being focused on the Pacific area as a whole, with the "lead" airlines there understood to be Japan Air Lines and Qantas of Australia.

The manufacturers appear to believe that if they can "sell" Concorde to Air France, BOAC, JAL and Qantas, other major airlines will be certain to follow suit quickly.

The possibility of some form of leasing organisation being set up to help finance Concorde procurement by airlines whose financial position precludes outright purchase, is now being mooted in the aerospace industries on both sides of the Channel.

As yet, there is no firm proposal that such an organisation will be formed, but the idea in favour of it appears to be gaining ground, and it may well be that even some of the bigger airlines might prefer to acquire Concordes in this way.

With a price of anything up to $30m. per aircraft, even two Concordes, with spares, would commit an airline to an outlay of around $100m., and there are few airlines who can afford that kind of money in the present financial climate in the air transport industry.

Conway attacks union intolerance

By Alex Hendry, Labour Reporter

MR. JIM CONWAY, general secretary of the Amalgamated Union of Engineering Workers, yesterday published a remarkable attack on trade union leaders whom he accused of threatening the movement by their tactics of intolerance.

He says in the union's journal: "It was noticeable at this year's Trades Union Congress that a certain faction were prepared to go to any lengths to discredit anyone with whom they did not agree. I have not been unmindful of similar activities taking place within our own union."

He adds: "I am concerned at the growth of intolerance which is beginning to permeate the trade union movement. I am concerned that we are being told to conform to the wishes of the vociferous minority or face the consequences."

His attack has been launched when the AUEW, with other unions in the industry, is preparing for some tough negotiations on a pay claim which the employers say would add more than £700m. a year to the industry's wages bill.

These negotiations will be led by the union's Left-wing president, Mr. Hugh Scanlon. They will directly affect 1.3m. workers in member countries of the Engineering Employers' Federation—but about 2m. when the increases are copied by non-federated companies.

GEC job threat for another 1,200

BY MICHAEL CASSELL

ANOTHER 1,200 General Electric Company employees are expected to lose their jobs under measures announced last night. A similar number at GEC subsidiaries have already been given notice of their impending dismissal since the beginning of May.

English Electric-AEI Turbine Generators announced that 600 of its employees will be affected. A further 300 workers in associated jobs will be involved and "upwards of 230" people employed by GEC-Elliott Automation are also threatened with redundancy.

Fewer orders

At the Trafford Park, Manchester, factory of English Electric-AEI Turbine Generators, where 8,000 people are employed, a total of 120 hourly-paid workers and 280 staff are likely to lose their jobs.

The company is responsible for the design, manufacture and marketing of large steam turbine alternators and industrial and marine steam turbines. A spokesman said last night that a "dramatic and continuing decline" in orders for power supply equipment, particularly from its major customer, the Central Electricity Generating Board, had meant that an urgent and comprehensive re-examination of available resources had become necessary.

Demand from the CEGB, he said, had fallen by 50 per cent. since 1967. An extra 300 jobs will also be affected in the engineering products department at Trafford Park and in other site services which provide substantial support facilities for the company's turbine generator activities.

At the Willans works, Rugby, where 3,000 people are employed by the turbine generator subsidiary, another 50 hourly paid workers and 150 staff will lose their jobs. The company stressed that in all cases natural wastage would help to offset the effect of the dismissals and every effort would be made to reallocate jobs where possible.

At least a further 230 jobs are threatened in the next six months at the Kidsgrove, Staffordshire, works of GEC-Elliott Automation where 2,000 are employed. The proposed dismissals were attributed to lack of orders and the fall in industrial investments.

In May, GEC announced the intended dismissal of 350 employees at the Harlow, Essex, works of AEI Scientific Apparatus and of a further 250 workers at GEC Transformers, GEC Switchgear, also of Stafford, and at English Electric Hewittic Rectifiers in Hersham. In August, Elliott Flight Automation, the group's avionics subsidiary, said that 400 men would be dismissed.

R-R DIESEL MEN VOTE TO RETURN

ABOUT 1,200 engineering workers at Rolls-Royce Motors' diesel engine division at Shrewsbury yesterday voted to end their five-week strike and resume work on Monday.

The men, seeking pay parity with car division workers at Crewe, accepted an improved offer from the management which substantially closed a £3 gap in basic rates at the two factories. Skilled men at Shrewsbury will now be on a £29 basic wage, compared with £29.50 at Crewe.

Unions seek talks to mitigate BSA plan for redundancies

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

BIRMINGHAM union officials are seeking urgent talks with the new management of Birmingham Small Arms on the sweeping changes announced within the company to prevent its collapse.

Under the plan 3,000 workers at BSA's Small Heath factory in Birmingham will lose their jobs as motor cycle production becomes concentrated at the Triumph factory at Meriden, near Coventry. Only 1,700 workers will keep their jobs at Small Heath which will concentrate on production of motor cycle components and spare parts, and guns and sub-contract engineering.

Officials of the two unions chiefly concerned, the Transport and General Workers and the Sheet Metal Workers, want to discuss the possibility of mitigating the effects of the redundancies, either by saving as many jobs as they can or by improving the severance pay.

Union reaction has so far been sharp, but since alternate Fridays and Mondays at Small Heath are being taken as non-working days, due to short-time working, it may be the middle of next week before a coherent shop floor policy emerges.

Although the plight of BSA, which is proposing a capital reconstruction plan and is to sell some of its assets, was generally appreciated, the drastic measures taken have taken union officials by surprise.

But until they have gone into the situation fully with the BSA shop stewards, there is little more they can say beyond their statement of intention to minimise the effects of the redundancies.

High demand

Mr. Brian Eustace, the company's newly appointed chief executive, said yesterday that about three-quarters of BSA's operations on the 25-acre Small Heath site will be put up for sale.

Sandy McLachlan writes: The Investment Protection Committee of the National Association of Pension Funds yesterday gave its support to BSA's proposed capital reconstruction scheme. In a statement yesterday the IPC disclosed that it had been in discussion for some time with BSA and its advisers Lazard Brothers, and considered that the proposals reflect the best terms which could be negotiated in the circumstances.

While advising members to vote in favour of the scheme, however, the IPC makes it very clear that in making this recommendation "the committee is passing no judgment on whether the measures being taken will be successful."

Under the proposed reconstruction the group's £10m. overdraft would be secured on the assets of the company, and the borrowing powers would be increased to £15m. In exchange preference shareholders would get a two-for-five scrip issue. At the same time BSA proposes to raise an extra £5m. working capital by selling off assets peripheral to the main business of the group.

UCS workers vote to save all yards

BY JAMES McDONALD, SHIPPING CORRESPONDENT

OVER 7,000 Upper Clyde Shipbuilders' workers at a mass meeting in Glasgow yesterday voted overwhelmingly to continue their fight for retention of all four shipyards in the group, as opposed to the Government's plan for a new two-yard nucleus.

Only five workers voted against the shop stewards' recommendation that no discussion should take place with the Government on its proposed two-yard Govan Shipbuilders Company except on the basis of retention of all four yards, with guarantees for the labour force.

A Govan yard worker received scant support when he accused the shop stewards of getting nowhere in their campaign and urged that they should negotiate with Govan Shipbuilders to keep open the three yards of Govan, Linthouse and Scotstoun.

Mr. James Airlie, for the shop stewards, was given an ovation at the end of his speech in which he alleged that the Government, by withholding guarantees to shipowners, had deliberately created a crisis in order to frighten and confuse the work force.

"We will not bow before intimidation and blackmail," he declared.

Against this background of organised unrest and hostility by the UCS labour force the prospects of finding a basis of a solution at Sunday's meeting in a Glasgow hotel between Mr. Hugh Stenhouse—chairman of Govan Shipbuilders—and the unions appear to be bleak.

At the meeting also will be Mr. Kenneth Douglas, the deputy chairman of the new company and Mr. Archibald Gilchrist, the general manager, Mr. R. C. Smith (the UCS liquidator) and representatives of Irish Shipping, which has suspended orders for four bulk carriers in the Govan yard. On the trade union side will be Mr. Dan McGarvey and Mr. Jack Service, Clyde district officials of the Confederation of Shipbuilding and Engineering Unions and top shop stewards from UCS.

No Government ministers are expected at the meeting in view of the arrangements made to meet Mr. John Davies, Secretary of State for Trade and Industry, in London next Tuesday.

At yesterday's meeting Mr. Airlie said that on Sunday the shop stewards would discuss the suspended ship orders only on the basis of UCS and not on the basis of the Govan-Linthouse two-yard complex.

The UCS workers' decision could mean the issue of redundancy notices to workers at the Govan yard within the next fortnight.

Continued from Page 1

Cut in mortgage rates

a reduction in the already slim margins on which the building societies operate, and some societies will not be able to cope with it.

At the BSA council meeting yesterday where the new rates were discussed there was a strong body of opinion which called for a lending rate of 8.1 per cent. to give just that little extra operating margin.

Mr. Stanley Morton, BSA chairman, said afterwards that they realised some smaller societies which had previously stuck to the recommended rate would have problems in maintaining reserves and might in fact charge 8.1 per cent. All the bigger societies will stick to the recommended rate.

Mr. Morton said there was a possibility that the association might have to re-think its interest rate structure in the reasonably near future. On the one hand there is the problem of increasing costs, and the almost certain increase in the composite rate of tax paid by building societies from the current rate of 31 per cent. If these factors combine to reduce the societies' surplus below the amount needed to maintain adequate reserves, then the mortgage rate will have to be increased again.

On the other hand is the effect on the inflow of money that will result from the lower interest rate offered to investors. The BSA hopes that the small reduction will not reduce the inflow much from its present record levels, since societies are still able to lend all that they can borrow. But the long-term effects of the new competition in banking cannot yet be quantified.

The competition for small savings which could develop in the new climate of banking has been a source of concern both to the building societies, which could be directly affected, and to the authorities. When the Bank of England introduced its new policy last May, it made it clear that it might be necessary at some stage to bring in restrictions on the terms which the banks offer for savings deposits to protect the building societies and the savings movement generally.

So far, the big banks, at present flush with funds, have not gone out to attract small deposits on any scale. When the Bank of England confirmed its new rules last month, it indicated that it saw no need at present to put limits on the rates which the banks could offer for savings.

For the big clearing banks, the interest rate offered on the normal seven-day deposits has stayed at 3 per cent., while their savings schemes still offer a relatively modest 4½ per cent. for amounts up to £250.

The Co-op Bank has made a start this week by bringing in new savings schemes offering better rates for deposits for one to four years, with rates ranging from 5 to 6½ per cent. for a minimum deposit of £100. The clearing banks, too, are expected to develop schemes to attract small deposits, and have even suggested that in the new competitive situation they should be allowed to offer tax concessions to their depositors similar to those available through the building societies.

The cut in the mortgage rate—the first since 1963—was welcomed by Mr. Julian Amery, Minister for Housing and Construction, who said that it would be a further encouragement for young people seeking to buy their own homes.

The House Builders' Federation, who welcomed the move warned that soaring land costs are causing great problems for housebuilders and forcing up the cost of new homes.

Rates on most other types of building society investment are likely to move in line with the reduction in the rate offered on shares. The building society SAYE schemes will not be affected, and will continue to offer exactly the same return as the official SAYE scheme.

£6m. Spanish bid for Williams & Humbert

BY SANDY McLACHLAN

THE foreshadowed bidder for Williams and Humbert, which produces and markets Dry Sack sherry, turns out to be a Spanish company, Union de Exportadores de Jerez S.A. Subject to the necessary consents, it will make a cash offer of 150p a share, which values Williams and Humbert at £6m.

The W. and H. Board, advised by Schroder Wagg, is recommending the offer. Together with certain other shareholders amounting to over 51 per cent. of the issued capital, the directors have already indicated their intention to accept in respect of their own shareholdings.

The Stock Market misjudged the situation yesterday. The bid came late in the evening, and during market hours W. and H. shares fell sharply to close 11p down at 107p.

Union de Exportadores is a subsidiary of Rumasa S.A., a Spanish holding company with interests in banking, food production and distribution, chemicals, textiles, pharmaceuticals, hotels and construction as well as in sherry and brandy production.

In 1968 W. and H. moved the domicile of its main trading production company to Spain in order to take advantage of tax concessions. The company quoted in London is the group holding company.

Weather

U.K. TO-DAY

The South of England will have mist patches at first. Cloud will increase generally, but it will probably remain dry. Wales, the Midlands, North England, Scotland and Northern Ireland will be generally rather cloudy with rain at time, mostly slight. Bright spells will also occur, chiefly to the East of high ground. Temperatures will be similar to or a little lower than yesterday.

London, E. Anglia, E. Midlands, S.E., Cent., S. and S.W. England

Mist and fog early. Bright spells, but cloud increasing. Probably remaining dry. Wind S.W. light. Max. 16C (61F).

Channel Isles

Rather cloudy, but mainly dry. Wind S.W. light. Max. 16C (61F).

E., N.E., Cent., N. and N.W. England, W. Midlands, Lakes, Wales, I. of Man, N. Ireland, Borders, E. and S.W. Scotland, Glasgow.

Mostly cloudy with a little rain at times. Some bright spells. Wind S.W. light or moderate. Max. 14C (57F).

Rest of Scotland

Mostly cloudy with some rain at times. A few bright spells. Wind S.W. light or moderate. Max. 12C (54F).

Outlook: Rain at times, especially in N. and W.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	F	17	63	Madrid	C	19	66
Bahrain	S	29	84	Manchstr.	F	15	59
Beirut	F	22	72	Melbourne	C	17	[illegible]
Belfast	C	15	59	Milan	S	19	66
Belgrade	S	21	70	Montreal	S	19	[illegible]
Berlin	C	17	63	Moscow	F	9	[illegible]
Birmghm.	F	13	55	Munich	S	15	[illegible]
Bristol	C	14	57	Newcastle	C	17	[illegible]
Brussels	S	16	61	New York	S	15	[illegible]
Budapest	S	19	66	Oslo	C	15	[illegible]
B. Aires	C	18	64	Paris	F	20	[illegible]
Cairo	S	28	82	Prague	S	19	[illegible]
Cardiff	C	14	57	Reykjavik	F	5	41
Cologne	S	17	63	Rome	S	19	[illegible]
Copnhagn.	[illegible]	14	57	Singapore	S	31	[illegible]
Dublin	C	15	59	Stockholm	F	12	[illegible]
Edinb'rgh.	C	13	55	Strasbourg	S	19	[illegible]
Frankfurt	S	16	61	Sydney	C	20	[illegible]
Geneva	F	11	52	Tehran	S	26	[illegible]
Glasgow	C	15	59	Tel Aviv	S	22	[illegible]
Helsinki	S	9	48	Tokyo	C	19	[illegible]
H. Kong	C	25	77	Toronto	S	11	[illegible]
Jo'burg	C	17	63	Vienna	S	19	[illegible]
Lisbon	S	25	77	Warsaw	F	16	[illegible]
London	S	13	55	Zurich	S	12	[illegible]
Luxembrg.	S	16	61				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	22	72	Jersey	S	18	[illegible]
Algiers	S	33	91	Las Plms.	S	23	[illegible]
Athens	S	19	66	Locarno	S	17	[illegible]
Barcelona	C	20	68	Majorca	C	22	[illegible]
Biarritz	S	24	75	Malaga	S	24	[illegible]
Blackpool	F	17	63	Malta	S	29	[illegible]
Boulogne	S	17	63	Nairobi	C	20	[illegible]
Casablnca	S	25	77	Naples	S	18	[illegible]
Cape Tn.	S	22	72	Nassau	C	29	[illegible]
Corfu	S	19	66	Nice	S	20	[illegible]
Dubrovnik	S	19	66	Nicosia	S	19	[illegible]
Faro	S	24	75	Oporto	S	24	[illegible]
Florence	S	19	66	Rhodes	S	19	[illegible]
Funchal	S	23	73	Salzburg	S	17	[illegible]
Gibraltar	C	22	72	St. Moritz	S	14	[illegible]
Guernsey	S	16	61	Tangier	S	23	[illegible]
Innsbruck	S	16	61	Tenerife	S	20	[illegible]
Inverness	F	14	57	Tunis	S	23	[illegible]
I. of Man	C	15	59	Valencia	T	19	[illegible]
Istanbul	S	15	59	Venice	S	16	[illegible]

S—Sunny. F—Fair. C—Cloudy. T—Thundery.

DERBY PROVIDES BUS SERVICE FOR SHOPPERS

To help people shop in the town centre, Derby is to provide a special bus service every five minutes linking car parks, shopping areas and major terminal points. There will be a small charge of 2p.